other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. NORMAN:

H. J. Res. 141. Joint resolution to authorize the Secretary of Agriculture to establish and operate forest-products pilot plants in the Northwestern States; to the Committee on Agriculture.

By Mr. PHILBIN:

H. Res. 121. Resolution to establish a select committee to investigate the present rapid rise in price levels and the high cost of living; to the Committee on Rules.

By Mr. LANE:

H. Res. 122. Resolution authorizing the Committee on Interstate and Foreign Commerce to investigate railroad accidents; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Wyoming, memorializing the President and the Congress of the United States relating to public lands in, and funds and other relief due, the State of Wyoming from the United States of America; to the Committee on Public Lands.

Also, memorial of the Legislature of the State of Wyoming, memorializing the President and the Congress of the United States to enact legislation relating to the Shoshone and Arapahoe Tribes of the Wind River Reservation in Wyoming; to the Committee on Public Lands.

Also, memorial of the Legislature of the Territory of Alaska, memorializing the President and the Congress of the United States to fight any increase in water-borne freight rates; to the Committee on Merchant Marine and Fisheries.

Also, memorial of the Legislature of the State of Georgia, memorializing the President and the Congress of the United States with the request that an immediate and thorough investigation be instituted into the affairs concerning veterans of World War II who are being defrauded by unscrupulous building contractors throughout the State of Georgia and the Nation as a whole; to the Committee on Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALBERT:

H. R. 2300. A bill for the relief of Ebbie Kirschke; to the Committee on the Judiciary.

By Mr. BLOOM:

H. R. 2301. A bill for the relief of Mimemori Aoyama; to the Committee on the Judiciary.

By Mr. BAKEWELL:

H. R. 2302. A bill for the relief of New Jersey, Indiana & Illinois Railroad; to the Committee on the Judiciary.

By Mr. GRANGER:

H. R. 2303. A bill for the relief of Mitsu M. Kobayashi, who is the wife of Edward T. Kobayashi, a citizen of the United States; to the Committee on the Judiciary.

By Mr. JOHNSON of Indiana:

H. R. 2304. A bill for the relief of Raymond Nelson Hickman; to the Committee on Armed Services.

By Mr. LYNCH:

H. R. 2305. A bill for the relief of Kazimir Roth; to the Committee on the Judiciary.

By Mr. MORTON:

H. R. 2306. A bill for the relief of Myrtle Ruth Osborne, Marion Walts, and Jessie A. Walts; to the Committee on the Judiciary.

By Mr. PRICE of Florida:

H. R. 2307. A bill for the relief of Demetrios Geranis; to the Committee on the Judiciary.

By Mr. SUNDSTROM (by request):

H. R. 2308. A bill for the relief of Raymond Rego; to the Committee on the Judiciary.

By Mr. SHAFER:

H. R. 2309. A bill authorizing the naturalization of George Zakoor; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

145. By Mr. HART: Petition of the D partment of New Jersey, Disabled American Veterans, in State executive committee meeting, protesting against the stoppage of work and the cancellation of veterans' emergency housing units; to the Committee on Banking and Currency.

146. Also, petition of executive committee of the Department of New Jersey, Disabled American Veterans, protesting to Congress that no cuts be permitted in the proposed budget reduction that will take away any benefits from the disabled veterans of the Nation; to the Committee on Appropriations.

147. Also, petition of the Department of New Jersey, Disabled American Veterans, in executive committee meeting, vigorously opposing any rent increase at this time or the removal of rent controls, as such action would definitely aggravate present housing situation; to the Committee on Banking and Currency.

148. Also, petition of the Jersey City chapter of the Polish-American Congress expressing gratification and hearty approval of the President's advising the Ambassador of the present Russian puppet regime in Poland of this Nation's disapproval of the recent elections held in Poland; to the Committee on Foreign Affairs.

149. By Mr. JONKMAN: Petition of citizens of the Fifth District of Michigan recommending that Congress correct the present sugar situation and make sugar available ration free; to the Committee on Banking and Currency.

150. By Mr. NORBLAD: Petition signed by Rev. Clark E. Enz and 17 other citizens of Polk County, Oreg., protesting against the advertisement of alcoholic beverages; to the Committee on Interstate and Foreign Commerce.

151. By Mr. ROHRBOUGH: Petition of Mr. and Mrs. G. F. Woofter and 23 other signers; to the Committee on Interstate and Foreign Commerce.

SENATE

FRIDAY, FEBRUARY 28, 1947

(Legislative day of Wednesday, February 19, 1947)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

Give to us open minds, O God, minds ready to receive and to welcome such new light of knowledge as it is Thy will to reveal. Let not the past ever be so dear to us as to set a limit to the future. Give us the courage to change our minds, when that is needed. Let us be tolerant of the thoughts of others, for we never know in what voice Thou wilt speak.

Wilt Thou keep our ears open to Thy voice, and make us a little more deaf to whispers of men who would persuade us from our duty, for we know in our hearts that only in Thy will is our peace and the prosperity of our land. We pray in the lovely name of Jesus. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, February 26, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

CALL OF THE ROLL

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Myers
Baldwin	Hayden	O'Conor
Ball	Hickenlooper	O'Daniel
Barkley	Hill	O'Mahoney
Brewster	Hoey	Overton
Bricker	Holland	Reed
Bridges	Ives	Revercomb
Brooks	Jenner	Robertson, Va.
Buck	Johnson, Colo.	Russell
Butler	Johnston, S. C.	Saltonstall
Cain	Kem	Smith
Capehart	Kilgore	Stewart
Capper	Knowland	Taft
Connally	Langer	Taylor
Cooper	Lodge	Thomas, Okla.
Cordon	Lucas	Thomas, Utah
Donnell	McCarran	Thye
Downey	McCarthy	Tobey
Dworshak	McClellan	Tydings
Eastland	McGrath	Umstead
Ecton	McKellar	Vandenberg
Ellender	Magnuson	Watkins
Ferguson	Malone	Wherry
Flanders	Martin	White
Fulbright	Maybank	Wiley
George	Millikin	Williams
Green	Moore	Wilson
Gurney	Morse	
Hatch	Murray	

Mr. WHERRY. I announce that the Senator from South Dakota [Mr. BUSHFIELD] is necessarily absent; the Senator from Wyoming [Mr. ROBERTSON] is necessarily absent on state business; the Senator from New Jersey [Mr. SMITH] is absent because of illness; and the Senator from North Dakota [Mr. YOUNG] is absent by leave of the Senate on state business.

Mr. LUCAS. I announce that the Senator from Virginia [Mr. BYRD] and the Senator from Arizona [Mr. MCFARLAND] are absent on official business.

The Senator from Connecticut [Mr. MCMAHON], the Senator from Florida [Mr. PEPPER], and the Senator from Alabama [Mr. SPARKMAN] are detained on public business.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDENT pro tempore. Eighty-five Senators having answered to their names, a quorum is present.

Mr. HATCH. My colleague the junior Senator from New Mexico [Mr. CHAVEZ] is unavoidably detained from the Senate and will not be able to attend the session today. I ask that he be excused, and that the announcement stand for the remainder of the week.

The PRESIDENT pro tempore. Without objection, the order is made.

REFERENCE OF NOMINATION OF EUGENE R. BLACK TO BE EXECUTIVE DIRECTOR OF INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

The PRESIDENT pro tempore. As in executive session, the Chair lays before the Senate the nomination of Eugene R. Black, of New Jersey, to be Executive Director of the International Bank for Reconstruction and Development.

There is some possibility of controversy, under the language of the Reorganization Act, as to the appropriate committee reference of this nomination. In the opinion of the Chair, however, inasmuch as the legislation establishing the bank originated in the Committee on Banking and Currency, the nomination should be referred to the Committee on Banking and Currency, and that order will be made, without objection. The Chair hears no objection, and the order is made.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations and withdrawing two nominations, which nominations were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

TREATIES OF PEACE WITH ITALY, RUMANIA, BULGARIA, AND HUNGARY

The PRESIDENT pro tempore. As in executive session, the Chair lays before the Senate a message from the President of the United States, which the clerk will read.

The Chief Clerk read as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith copies of the treaties of peace with Italy, Rumania, Bulgaria, and Hungary, signed at Paris on February 10, 1947.

I transmit also for the information of the Senate the report made to me by the Secretary of State regarding these treaties of peace, and the summary of each treaty which accompanied that report.

HARRY S. TRUMAN.

THE WHITE HOUSE, *February 28, 1947.*

[Enclosures: 1. Report of the Secretary of State, with accompanying summaries; 2. Copies of the treaties of peace with Italy, Rumania, Bulgaria, and Hungary.]

The PRESIDENT pro tempore. These treaties will be referred to the Committee on Foreign Relations, and the chairman of the Committee on Foreign Relations wishes to announce that a public hearing will be held next Tuesday morning at 10:30 o'clock, at which Secretary Marshall and former Secretary of State Byrnes will appear to present the treaties.

Without objection, the injunction of secrecy is removed from the treaties which have just been reported.

The Chair hears no objection.

PROTOCOL EXTENDING INTERNATIONAL SUGAR AGREEMENT

The PRESIDENT pro tempore. As in executive session, the Chair lays before the Senate a message from the President of the United States, which the clerk will read.

The Chief Clerk read as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification I transmit herewith a certified copy of a protocol dated in London August 30, 1946, prolonging for 1 year after August 31, 1946, the international agreement regarding the regulation of production and marketing of sugar, signed at London on May 6, 1937.

I transmit also for the information of the Senate the report made to me by the Secretary of State with respect to this matter.

HARRY S. TRUMAN.

THE WHITE HOUSE, *February 28, 1947.*

[Enclosures: 1. Report of the Secretary of State; 2. Certified copy of the protocol of August 30, 1946.]

The PRESIDENT pro tempore. Without objection, the injunction of secrecy will be removed from the protocol and it will be referred to the Committee on Foreign Relations.

The Chair hears no objection, and it is so ordered.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on February 26, 1947, he presented to the President of the United States the enrolled bill (S. 568) to authorize the Secretary of Agriculture to cooperate with the Government of Mexico in the control and eradication of foot-and-mouth disease and rinderpest.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

AMENDMENT OF CIVIL AERONAUTICS ACT OF 1938

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the Civil Aeronautics Act of 1938, as amended, to empower the Civil Aeronautics Board to prescribe rates and practices and to suspend rates of air carriers in foreign air transportation, and for other purposes (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

DEVELOPMENT AND IMPROVEMENT OF CERTAIN AIRPORTS

A letter from the Secretary of Commerce, transmitting, pursuant to law, a request of the Administrator of Civil Aeronautics Authority to undertake during the fiscal year 1948 certain projects for the development of class 4 and larger airports (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

REPORT OF BOARD OF DIRECTORS OF FEDERAL PRISON INDUSTRIES, INC.

A letter from the secretary of the Federal Prison Industries, Inc., transmitting, pursuant to law, the annual report of the Board of Directors of that organization for the fiscal year 1946 (with accompanying papers); to the Committee on the Judiciary.

UNITED STATES TERRITORIAL EXPANSION MEMORIAL COMMISSION

The PRESIDENT pro tempore. Under authority of Public Resolution 32, approved June 15, 1934, the Chair appoints the Senator from Oregon [Mr. MORSE] and the Senator from Pennsylvania [Mr. MARTIN] as the members on the part of the Senate of the United States Territorial Expansion Memorial Commission, to fill the vacancies thereon caused by the death of the late Senator Van Nuys, of Indiana, and the expiration of the term of service of Hon. James J. Davis as Senator from the State of Pennsylvania.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of South Carolina, relating to the cure and control of cancer; to the Committee on Labor and Public Welfare.

(See concurrent resolution printed in full when presented by Mr. JOHNSTON of South Carolina, February 26, 1947, page 1416, CONGRESSIONAL RECORD.)

A joint memorial of the Legislature of the State of Idaho; to the Committee on Agriculture and Forestry:

"House Joint Memorial 1

"To the Honorable Senate and House of Representatives of the United States in Congress assembled:

"We, your memorialists, the Legislature of the State of Idaho, do respectfully represent; that—

"Whereas the present emergency farm labor-supply program expires on June 30, 1947; and

"Whereas it appears that farm labor will remain inadequate for at least another crop season; and

"Whereas in view of the continued prospects for an inadequate supply of farm labor it appears most feasible to extend the farm labor-supply program in the same form in which it has operated since 1943; and

"Whereas Idaho farmers need assurance of an adequate supply of labor in order to produce to their fullest capacity such high labor requirement crops as sugar beets and other important Idaho crops needed to maintain ample food resources: Now, therefore, be it

"Resolved by the House of Representatives and the Senate of the State of Idaho (jointly), That the Congress of the United States be, and is hereby, memorialized to enact legislation providing for the continuance of the emergency farm labor-supply program for the 1947 crop season; be it further

"Resolved, That the secretary of state of Idaho be, and he is hereby, authorized and directed to send copies of this joint memorial to the President of the United States; to the Senate and House of Representatives of the United States of America; to the Senators and Representatives of Idaho in the two Houses of Congress; and to the chairman of the House Agricultural Committee of the Eightieth Congress of the United States."

A joint memorial of the Legislature of the Territory of Alaska; to the Committee on Public Lands:

"Senate Joint Memorial 1

"To the President of the United States, the Congress of the United States, the United States Maritime Commission, the Secretary of the Interior, and the Delegate from Alaska:

"Your memorialist, the Legislature of the Territory of Alaska, in eighteenth session assembled, respectfully submits that:

"Whereas the legislature has studied Delegate BARTLETT'S telegraphic report relating to the Alaska shipping situation; and

"Whereas the Alaska Steampship Co. and the Northland Transportation Co. have challenged Alaska by threatening to discontinue operation of ships from Seattle on March 1, 1947, if the Territory opposes their recent

proposal, by taking same to the Maritime Commission for hearing; and

"Whereas the proposed over-all 35 percent increase would cover passenger fares as well as freight rates, and in practice constitutes an average increase in freight rates of about 45 percent over present levels, which levels already include a 16 percent wartime surcharge, which would be ruinous to the Territory's economy; and

"Whereas previous stoppages of service of said carriers have resulted in groundwork having been laid for establishing other means of transportation, such as an operation by Briggs Steamship Co. from Prince Rupert to southeastern Alaska at 20 percent below present freight rates, and service by Portland interests to westward Alaska; and

"Whereas emergency transportation could be obtained during the threatened shutdown, including possible amendment of section 27 of the Jones Act to permanently remove discrimination against Alaska, or temporary suspension thereof, making Canadian service available; and

"Whereas it is not believed that Seattle distributors and attendant interests would permit any sustained discontinuance of service by carriers headquartered in their city; and

"Whereas the development of Alaska into a strong buffer State is of paramount importance to the national security, which should be safeguarded by unstinting relief with insistence on efficiency measures, to solve this transportation problem, with the view that added development would soon increase freight business to the point where operators could reduce their rates below the present high level, rendering adequate Federal assistance but a temporary burden, in the nature of a sound investment.

"Therefore your memorialist accepts the challenge laid down by the carriers and directs its administrative officers to fight any increase in water-borne freight rates with every means at their disposal, and hereby urges Federal authorities to lend support to the Territory in this matter of national concern.

"And your memorialist will ever pray.

"Passed by the senate February 4, 1947.

"Approved by the governor February 10, 1947.

"ERNEST GRUENING,
"Governor of Alaska."

A resolution adopted by Post No. 1, of the Federal Employees Veterans Association, Philadelphia, Pa., favoring an investigation of the operation and administration of the Veterans Preference Act of 1944; to the Committee on Civil Service.

The petition of the annual provisional conference of the Methodist Church of Puerto Rico, praying for the enactment of legislation to determine the political status of the people of Puerto Rico; to the Committee on Public Lands.

By Mr. MURRAY:

A joint memorial of the Legislature of the State of Montana; to the Committee on Public Lands:

"Senate Joint Memorial 1

"Joint memorial of the Senate and of the House of Representatives of the State of Montana to the President and the Congress of the United States relative to the postwar construction of an adequate tuberculosis sanitarium for Indians at a suitable location within the State of Montana

"To the President of the United States and to the Honorable Senate and House of Representatives of the United States in Congress assembled:

"Whereas there is within Montana a large Indian population on numerous Indian reservations; and

"Whereas the people of Montana are deeply concerned with the extremely high death rate of Montana Indians from tuberculosis; and

"Whereas there are no existing special facilities within the State for their treatment and hospitalization: Now, therefore, be it

"Resolved, That the Senate of the State of Montana, and the House of Representatives concurring, strongly urge that the Congress of the United States include in the Federal postwar building program an appropriation for the construction and equipment of an adequate tuberculosis sanitarium for Indians at some suitable location within the State of Montana; be it further

"Resolved, That copies of this memorial be forwarded by the Secretary of State to the President of the United States, to the Vice President of the United States, to the Speaker of the House of Representatives of the United States, to the Senators and Representatives in Congress from this State, to the Secretary of the Interior, and to the Commissioner of Indian Affairs."

A joint memorial of the Legislature of the State of Montana; to the Committee on Agriculture and Forestry:

"Senate Joint Memorial 2

"Joint memorial to the Congress of the United States petitioning Congress to strengthen present sanitary requirements governing the importation of livestock and livestock products and to appropriate additional funds to the Bureau of Animal Industry, United States Department of Agriculture, in order that border inspection may be strengthened and a system of patrol established along the northern boundary of Mexico to guard against the importation of people, animals, and materials carrying the infection of foot-and-mouth disease, and also petitioning Congress to offer to the Government of the Republic of Mexico such facilities as may be available from the Bureau of animal industry, United States Department of Agriculture, and appropriating money to provide for such facilities and to extend financial aid to the Republic of Mexico in order that foot-and-mouth disease may be eradicated.

"To the President of the United States and to the Honorable Senate and House of Representatives of the United States in Congress assembled:

"Whereas foot-and-mouth disease now exists in livestock in the Republic of Mexico; and

"Whereas, the disease has spread from the six original states involved in the vicinity of Mexico City as far west and north as the State of Zacatocas; and

"Whereas, it is extremely doubtful if the Government of the Republic of Mexico can eradicate this disease from their livestock without additional assistance; and

"Whereas, the presence of foot-and-mouth disease in the Republic of Mexico presents a very definite threat to the prosperity of the livestock industry and the entire economic welfare of the United States: Now, therefore, be it

"Resolved by the Thirtieth Legislative Assembly of the State of Montana (the Senate and House of Representatives concurring), That we earnestly petition the Congress of the United States to strengthen the present sanitary requirements governing the importation of livestock and livestock products from Mexico and from other countries in which foot-and-mouth disease exists; be it further

"Resolved, That we earnestly petition Congress to appropriate additional funds to the Bureau of Animal Industry, United States Department of Agriculture in order that border inspection may be strengthened and a system of patrol be established along the northern boundary of Mexico to guard against the importation of people, animals, and materials carrying the infection of foot-and-mouth disease; be it further

"Resolved, That we petition and urge the Congress of the United States to offer to the Government of the Republic of Mexico such facilities and assistance as may be available from the Bureau of Animal Industry, United States Department of Agriculture and to appropriate funds to provide for this assistance and to provide direct financial aid to the government of the Republic of Mexico in order that foot-and-mouth disease be eradicated from their livestock; and be it further

"Resolved, that a copy of this joint memorial be forwarded by the secretary of state to the President of the United States and to the President pro tempore of the United States Senate, the Speaker of the House of Representatives, the Honorable Secretary of State, the Honorable Secretary of the United States Department of Agriculture, and to the Senators and Representatives in Congress from the State of Montana with the request that they bring this matter forcibly to the attention of the Members of the Congress of the United States.

"Approved February 11, 1947.

"SAM C. FORD,
"Governor."

A joint memorial of the Legislature of the State of Montana; to the Committee on Armed Services:

"House Joint Memorial 4

"Joint memorial to the President and Congress of the United States requesting the introduction and enactment of appropriate legislation authorizing the immediate redemption of bonds issued to the enlisted members of the armed forces for accumulated leave pay under the terms of the Armed Forces Leave Act of 1946

"To the President of the United States and to the Honorable Senate and House of Representatives of the United States in Congress assembled and to the Honorable James E. Murray, the Honorable Zales N. Ecton, the Honorable Mike Mansfield, and the Honorable Wesley A. D'Ewart:

"Whereas the avowed purpose of the Armed Forces Leave Act of 1946 is to grant equal treatment in the matter of leave to all personnel of the armed forces; and

"Whereas under the terms of that act commissioned officers continue to receive compensation for accumulated leave in cash while enlisted personnel receive only a fraction of their accumulated leave pay in cash and the balance in bonds which are nonnegotiable and payable only after 5 years from the date of issuance; and

"Whereas the need of former enlisted members of the armed forces for immediate compensation for accumulated leave in cash is, in most cases, greater than that of commissioned officers in order to assist such members in the trying period of readjustment to civilian life, therefore justice and fairness require that such enlisted members should have the benefit of immediate payments under the terms of the Armed Forces Leave Act of 1946; and

"Whereas a consideration of the equities and a balancing of alleged inflationary effects of such payments against the very urgent need of enlisted personnel for such compensation immediately demonstrates that enlisted personnel are entitled to prompt cash payment for all accumulated leave: Now, therefore, be it

"Resolved by the House of Representatives of the Thirtieth Legislative Assembly of the State of Montana (the Senate concurring), That we respectfully urge the Congress of the United States to enact proper legislation providing for the immediate redemption of all bonds issued under the terms of the Armed Forces Leave Act of 1946 in cash,

and that all future payments under the terms of such act be made in cash; be it further

"Resolved, That copies of this memorial be forwarded by the chief clerk of the house of representatives to the President of the United States, to the President pro tempore of the Senate of the United States, to the Speaker of the House of Representatives of the United States, and to the Honorable JAMES E. MURRAY and ZALES N. ECTON, Senators from Montana, and to the Honorable MIKE MANSFIELD and WESLEY D'EWART, Representatives in Congress from Montana."

By Mr. O'MAHONEY:

A joint memorial of the Legislature of the State of Wyoming; to the Committee on Public Lands:

"Senate Joint Memorial 1

"Joint memorial memorializing the Congress of the United States of American to enact legislation relating to the Shoshone and Arapahoe Tribes of the Wind River Reservation in Wyoming

"Whereas the business councils of the Shoshone and Arapahoe Tribes of the Wind River Reservation in Wyoming desire and are entitled to the abolishment of the Federal Indian Bureau and the vesting in members of such tribes, of their proper tribal heritages; and

"Whereas there is now pending in the Eightieth Congress of the United States of America, H. R. 1098, proposing authorized division of designated trust funds for joint credit of such tribes: Now, therefore, be it

Resolved by the Senate of the Twenty-ninth Legislature of the State of Wyoming (its House of Representatives concurring), That it is the will of such legislature that said Shoshone and Arapahoe Tribes be promptly granted such tribal heritages and that said Indian Bureau be promptly and finally abolished in order that all members of said tribes may fully assume their appropriately independent status and responsibilities as citizens of said United States of America; and be it further

"Resolved, That copies of this memorial be sent to the President of the United States, to the presiding officer of the United States Senate, and the Speaker of the House of Representatives of said Congress, to Hon. JOSEPH C. O'MAHONEY, Hon. E. V. ROBERTSON, and Hon. FRANK A. BARRETT, Senators and Representatives respectively in the United States Congress, from Wyoming, and to the following members of said United States Senate's new Civil Service Committee: Senator LANGER, of North Dakota; Senator CHAVEZ, of New Mexico; Senator THYE, of Minnesota; Senator UMSTEAD, of North Carolina; Senator O'CONOR, of Maryland; Senator BALDWIN, of Connecticut, and Senator ECTON, of Montana.

"Approved February 20, 1947.

"LESTER C. HUNT,
"Governor."

(The PRESIDENT pro tempore laid before the Senate a joint memorial of the Legislature of the State of Wyoming identical with the foregoing, which was referred to the Committee on Public Lands.)

A joint resolution of the Legislature of the State of Wyoming; to the Committee on Public Lands:

"Senate Joint Resolution 1

"Joint resolution related to unfair policies of the Forest Service of the United States with respect to the livestock industry in Wyoming

"Whereas establishment of national forest areas in Wyoming has greatly reduced the total of taxable lands in said State, the related load upon real and personal property of Wyoming livestock growers is greater than that upon property of any other industry in such State and they have always been rightfully dependent upon and entitled to continuity of fair and stabilized Forest Service management programs concerning summer grazing of livestock on such areas, present impairment of which is opposed to the national interest; and

"Whereas greatly too many officials employed by the Federal Government in its administration of affected forestry programs in their bureaucratic disregard of said affected industry's equities, the national interest and related advice from experience-seasoned, capable, and patriotic advisory board members, have adopted policies so vacillating, unreasonable, and dangerously restrictive, that enforced disposition or reduction by such industry of commensurate property and its liquidation of its tax-revenue producing livestock, is assuming alarming, resultant proportions: Now, therefore, be it

"Resolved, by the Senate of the Twenty-ninth Legislature of the State of Wyoming (its House of Representatives concurring), That the Congress of the United States is hereby requested to correct the criticized situation in Wyoming by appropriate legislation after prompt and full investigation by congressional public-lands committees, of all affecting policies and action of and appropriations for, the Forest Service; be it further

"Resolved, That copies hereof be sent to the Honorable JOSEPH C. O'MAHONEY, the Honorable E. V. ROBERTSON, and the Honorable FRANK A. BARRETT, Senators and Representative, respectively, in the United States Congress, from Wyoming.

"Approved February 20, 1947.

"LESTER C. HUNT,
"Governor."

A joint resolution of the Legislature of the State of Wyoming; to the Committee on Public Lands:

"Senate Joint Resolution 2

"Joint resolution relating to public lands in, and funds and other relief due, the State of Wyoming from the United States of America

"Be it resolved by the Legislature of the State of Wyoming (two-thirds of all members of each of its two houses, voting separately, concurring therein):

"Whereas lands now constituting the State of Wyoming were acquired largely under treaties with France and Mexico, having provided that the territory embraced under such acquisition 'shall be formed into free, sovereign, and independent States and incorporated into the Union of the United States of America as soon as possible, and the citizens thereof shall be accorded the enjoyment of all the rights, advantages, and immunities as the citizens of the original States,' and said Louisiana Purchase Treaty with France having contained almost identical requirements; and

"Whereas in the early days of the public domain none questioned but that it should and soon would pass to the several States within which it was situate, the then excuse for withholding such action having been that it was pledged to secure a national debt created by the Revolutionary War but after said debt was paid, such lands having been retained by the Federal Government and funds rapidly accumulated from disposal thereof, with a relatively minor exception, having been loaned to and among the then 26 States of the Union, most of which had never contributed toward such fund, and which fund with accumulated interest is now reported to be in excess of $2,000,000,000, distribution thereof being equitably due to said public-land States; and

"Whereas although the act admitting Wyoming into the Union, approved by the Federal Congress on July 10, 1890, included the express provision that 'the State of Wyoming is hereby declared to be a State of the United States of America and is hereby declared admitted into the Union on an equal footing with the original States in all respects whatever,' and although the United States never asserted ownership of the lands, minerals, or waters of the original States and by paragraph 17 of section 8 of article I of its Constitution, the Federal Congress was authorized to exercise authority over, in addition to the District of Columbia, only such places as the Nation might purchase, by and with the consent of the legislature of the State in which the same are located, for specified purposes not including forests, minerals, monuments, or waters; and

"Whereas instead of vesting in the State of Wyoming full title to all public land within its borders, as legally and equitably due said State under the treaty and constitutional provisions aforesaid, the Federal Government has followed a program of Executive withdrawals under which there have been additional lands eliminated from the tax rolls and control of this State which program included administrative set-up of the so-called Jackson Hole Monument, covering several hundred thousands acres of Wyoming land, portions thereof being privately or State owned, and the will of Congress in setting aside such autocratic Executive action having been defeated by Presidential veto: Now, therefore, be it

"Resolved by the Senate of the Twenty-Ninth Legislature of the State of Wyoming (its House of Representatives concurring), That the Honorable JOSEPH C. O'MAHONEY, the Honorable EDWARD V. ROBERTSON, and the Honorable FRANK A. BARRETT, Senators and Representative, respectively from Wyoming in the Congress, and the Honorable Lester C. Hunt, Governor of this State, be and they are hereby requested, first, to continue their efficient past action in opposing establishment of said so-called monument; second, to have initiated and diligently prosecuted appropriate legislation by the Congress looking to early restoration to this State or to its citizens of full title to all public-grazing lands inside its boundaries; and, third, to initiate and prosecute in like manner, action looking to recovery by this State of all moneys properly payable to it on account of lands and minerals previously and improperly withdrawn from it or from private ownership, including but not by way of limitation, the proportionate amount due said State on account of the one specific fund previously mentioned, and be it further

"Resolved, That certified copies hereof be forwarded to the President of the United States, the Secretary of the Department of the Interior, the President of the Senate, and the Speaker of the House of Representatives of the Federal Congress, the Honorable JOSEPH C. O'MAHONEY, the Honorable EDWARD V. ROBERTSON, and the Honorable FRANK A. BARRETT, Senators and Representative, respectively, in said Congress from Wyoming, and to Hon. Lester C. Hunt, Governor of Wyoming.

"Approved February 20, 1947.

"LESTER C. HUNT,
"Governor."

(The PRESIDENT pro tempore laid before the Senate a joint resolution of the Legislature of the State of Wyoming identical with the foregoing, which was referred to the Committee on Public Lands.)

RESOLUTION OF NEBRASKA LEGISLATURE RELATING TO FOOT-AND-MOUTH DISEASE

Mr. BUTLER. Mr. President, I ask unanimous consent to present a resolution adopted by the Nebraska Unicameral Legislature with reference to the foot-and-mouth disease, a subject which has already been acted upon by the Congress, but I think the resolution, with the signatures of the members, should be printed in the RECORD as a part of my remarks.

There being no objection, the resolution was received, referred to the Com-

mittee on Agriculture and Forestry, and ordered to be printed in the RECORD, with the signatures attached, as follows:

To the President of the United States, the Senate, and the House of Representatives of the United States:

Whereas foot-and-mouth disease now exists in livestock in the Republic of Mexico; and

Whereas the disease has spread from the six original states involved in the vicinity of Mexico City as far west and north as the state of Zacatecas; and

Whereas it is extremely doubtful if the government of the Republic of Mexico can eradicate this disease from their livestock without additional assistance; and

Whereas the presence of foot-and-mouth disease in the Republic of Mexico presents a very definite threat to the prosperity of the livestock industry and the entire economic welfare of the United States:

Now, therefore, we the undersigned members of the Sixtieth Session of the Legislature of Nebraska, 1947, petition the Congress of the United States:

1. To strengthen the present sanitary requirements governing the importation of livestock and livestock products from Mexico and from other countries in which foot-and-mouth disease exists.

2. To appropriate additional funds to the Bureau of Animal Industry, United States Department of Agriculture, in order that border inspection may be strengthened and a system of patrol be established along the northern boundary of Mexico to guard against the importation of people, animals, and materials carrying the infection of foot-and-mouth disease.

3. To offer to the government of the Republic of Mexico such facilities and assistance as may be available from the Bureau of Animal Industry, United States Department of Agriculture, and to appropriate funds to provide for this assistance and to provide direct financial aid to the government of the Republic of Mexico in order that foot-and-mouth disease be eradicated from their livestock.

Ed Hoyt, Clyde F. Cretsinger, Harold C. Prichard, J. V. Benesch, H. P. Heiliger, Lloyd Kain, Ray Babcock, John P. McKnight, Harry A. Foster, O. H. Person, Henry D. Kosman, Fred A. Seaton, John S. Callan, William Hern, Ernest C. Raasch, Harry F. Burnham, Roy B. Carlberg, Fred A. Mueller, Arthur Carmody, C. C. Lillibridge, Ed. F. Lusienski, Dwight W. Burney, Otto J. Prohs, Joe W. Leedom, R. B. Steele, C. Petrus Peterson, Charles F. Tvrdik, Lester H. Anderson, Daniel Garber, Harry L. Pizer, Earl J. Lee, Walter R. Raecke, John L. Copeland, Karl E. Vogel, George W. Bevins, Glenn Cramer, William A. Metzger, N. F. Schroeder, W. J. Norman.

CONCURRENT RESOLUTION OF SOUTH CAROLINA LEGISLATURE RELATING TO SUGAR

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent to present for appropriate reference and printing in the RECORD a concurrent resolution adopted by the House and Senate of the State of South Carolina memorializing and petitioning the Congress of the United States and other agencies of the Federal Government to take whatever steps are needful and necessary to make a greater amount of sugar available to the American people.

There being no objection, the concurrent resolution was received, referred to the Committee on Banking and Currency, and, under the rule, ordered to be printed in the RECORD, as follows:

Concurrent resolution memorializing and petitioning the Congress of the United States and other agencies of the Federal Government to take whatever steps needful and necessary to make a greater amount of sugar available to the American people

Whereas sugar has always been the most indispensable and the best loved essential in the diet of the American people; and

Whereas for years this element of saccharin bliss has been only enough to tease and never enough to satisfy the palate of 140,000,000 Americans; and

Whereas to the appetite that cries out for jams, jellies, preserves, frosted cakes, pies, and candies even as the ancient Hebrews sighed for the fleshpots of Egypt the mere canning of fruits and the gnawing of sweet-potato candy can never bring to the sweet tooth of the American people that feeling of deep content and satisfaction which long has been its solace and heritage; and

Whereas soon every household in the land will have access to another crop of berries, fruits, and produce which, without adequate sugar become as tasteless and unsatisfying as the apples of Sodom; and

Whereas in order to secure again a reasonable indulgence of appetites long sensitive to the sweet and the delectable the American people are willing to part with a little more money, which satisfieth not, in exchange for more sugar, which satisfieth much: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That the Congress of the United States be, and hereby is, respectfully and prayerfully implored, memorialized and petitioned to take whatever steps needful and necessary, along with any and all other agencies of the Federal Government, to make available at whatever cost more of this delightful and tantalizing element of nutritional enjoyment commonly known as sugar to the end that once again meal time may become the sweet and pleasurable hour for which millions of American homes have long sighed and pined in vain; be it further

Resolved, That a copy of this resolution be forwarded to the Presiding Officer of each House of the Congress, to the Secretary of Agriculture, and to each Representative in the two Houses of Congress from the State of South Carolina.

The PRESIDENT pro tempore laid before the Senate a concurrent resolution identical with the foregoing, which was referred to the Committee on Banking and Currency.

FREE SCHOOL LUNCH PROGRAM IN SOUTH CAROLINA

Mr. MAYBANK. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred a letter addressed to me by Jesse T. Anderson, State superintendent of education of my State, showing the necessity for additional appropriations for the free hot-lunch program for the children of South Carolina.

There being no objection, the letter was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

STATE OF SOUTH CAROLINA,
DEPARTMENT OF EDUCATION,
Columbia, S. C., February 21, 1947.

Senator BURNET R. MAYBANK,
Washington, D. C.

DEAR SENATOR MAYBANK: We are now facing a situation that will be most detrimental to the program unless some additional Federal funds are made available through a deficiency appropriation. We find that South Carolina will need $320,965 more to continue the program until the end of the school term. Without this, our money will run out between the 15th of March and the 1st of April.

As you know, the hot-lunch program in South Carolina has met with marked success and our State legislature has probably gone further than most of the States in providing for the services. You will recall that the State pays the salary of a supervisor for each county and appropriates an additional $150,000 that is given to the county boards of education in promoting the program, and it would be a calamity upon our program should we be forced to close our lunchrooms. It is practically impossible for the school-lunch program to continue without Federal funds and I am herewith urging you to use your influence in seeing that the deficiency appropriation is made and that South Carolina's needs will be met.

With best wishes to you, I am,

Very sincerely yours,

JESSE T. ANDERSON,
State Superintendent of Education.

PROTESTS AGAINST DISCONTINUANCE OF CERTAIN SERVICES BY WESTERN UNION TELEGRAPH CO.

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD five telegrams which I have received from my State of North Dakota; one from the Rudolf Hotel, another from the Anderson Furniture Co., a third from the Valley City Times-Record, one from Duffy Motors, and one from Valley City Junior Chamber of Commerce, all of Valley City, N. Dak.

I might call the attention of the Senate to the fact that at the time the vote was taken on the measure providing for the consolidation of the Western Union and the Postal Telegraph Cos. 11 Senators voted against the consolidation. We said at that time that it would create a monopoly. The telegrams ask that the Western Union Telegraph Co. be prohibited from shortening the hours of service at certain of its offices and closing certain of its offices.

There being no objection, the telegrams were ordered to be printed in the RECORD as follows:

VALLEY CITY, N. DAK., *February 21, 1947.*

Senator WILLIAM LANGER,
Senate Office Building,
Washington, D. C.:

Western Union imperative to our business as well as others in community. Please try to discontinue shortening of office hours and closing office.

RUDOLF HOTEL.

VALLEY CITY, N. DAK., *February 21, 1947.*

Senator WILLIAM LANGER,
Senate Office Building,
Washington, D. C.:

Please do utmost discontinue closing and shortening office hours of the Western Union Telegraph. Telegraph cannot function properly if this does not stop.

ANDERSON FURNITURE CO.,
W. B. KRAUSE.

VALLEY CITY, N. DAK., *February 21, 1947.*

Senator WILLIAM LANGER,
Washington, D. C.:

Please do utmost discourage closing of Western Union offices or shortening of office hours. This service necessary to all communities.

VALLEY CITY TIMES-RECORD.

VALLEY CITY, N. DAK., *February 21, 1947.*
Senator WILLIAM LANGER,
Washington, D. C.:
It is essential to have Western Union service in this community as well as others. Please try discontinue closing offices or shortening office hours.
DUFFY MOTORS.

VALLEY CITY, N. DAK., *February 22, 1947.*
Senator WILLIAM LANGER,
Washington, D. C.:
Appreciate your support that Western Union must stop closing offices and reducing hours. Understand FCC now considering. Service necessary to all communities.
VALLEY CITY JUNIOR CHAMBER OF COMMERCE.

ALLOWANCES GRANTED CHILDREN OF VETERANS

Mr. BALDWIN. Mr. President, I ask unanimous consent to have incorporated in the RECORD excerpts from a letter written to me by the widow of a veteran of the last war, a man who gave his life in the battle of the North Atlantic, commenting upon the monthly allowance to a growing child under the present law and commenting on a proposed law which would increase the allowances for the support and maintenance of widows of veterans who gave their lives for their country, and also providing for their children.

There being no objection the matter referred to was ordered to be printed in the RECORD, as follows:

HARTFORD, CONN., *February 20, 1947.*
The Honorable RAYMOND E. BALDWIN,
Senator from Connecticut,
Washington, D. C.

DEAR SENATOR BALDWIN: * * * Because you have introduced this bill, I know that you are aware that $15 is an inadequate amount for the monthly allowance of a growing child. At the present level of prices the milk requirement alone, for a child, consumes more than 50 percent of the monthly allowance. You may have noticed in the newspapers recently, a case in the Connecticut courts, where the children's aid asked $14 weekly from a father for the board, medical and dental care of a child. They deemed this amount necessary for the care of the child.

I believe the greatest honor we can do these men, who have given their lives, is to see that their children have the security and freedoms for which they fought. I am sure that my husband, a brilliant young physician who lost his life in the North Atlantic in 1943, while serving with the United States Coast Guard, would ask no greater memorial than the welfare and security of his sons.

* * * * *

Believe me,
Yours faithfully,
FRANCES F. CHAMBERLIN
(Mrs. T. L.).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WILEY, from the Committee on the Judiciary:

S. J. Res. 69. Joint resolution to prepare a revised edition of the Annotated Constitution of the United States of America as published in 1938 as Senate Document 232 of the Seventy-fourth Congress; with an amendment (Rept. No. 41).

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

H. J. Res. 122. Joint resolution to authorize the United States Maritime Commission to make provision for certain ocean transportation service to and from Alaska until July 1, 1948, and for other purposes; with amendments (Rept. No. 42).

By Mr. BRIDGES, from the Committee on Appropriations:

H. R. 1968. A bill making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes; with amendments (Rept. No. 43).

REPORTS OF COMMITTEE ON BANKING AND CURRENCY

Mr. FLANDERS. Mr. President, from the Committee on Banking and Currency, I ask unanimous consent to report two bills which have been introduced at the request of the Treasury Department. The Banking and Currency Committee has considered them, and I now report the bills from that committee.

The PRESIDENT pro tempore. Without objection, the reports will be received, and the bills will be placed on the calendar.

By Mr. FLANDERS, from the Committee on Banking and Currency:

S. 565. A bill to amend section 3539 of the Revised Statutes, relating to taking trial pieces of coins; without amendment (Rept. No. 39); and

S. 566. A bill to amend sections 3533 and 3536 of the Revised Statutes with respect to deviations in standard of ingots and weight of silver coins; without amendment (Rept. No. 40).

ADVERSE REPORT OF A NOMINATION

Mr. REVERCOMB. Mr. President, as in executive session, from the Committee on Public Works, I ask unanimous consent to submit an adverse report on the nomination of Gordon R. Clapp, of Tennessee, to be a member of the Board of Directors of the Tennessee Valley Authority for the remainder of the term expiring 9 years after May 18, 1945, to which office he was appointed during the last recess of the Senate.

The PRESIDENT pro tempore. Without objection, the report will be received and placed on the Executive Calendar.

REPORT ON ACTIVITIES OF THE INTERNATIONAL LABOR ORGANIZATION CONFERENCE AT MONTREAL, CANADA

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent to have made a part of my remarks and printed in the body of the RECORD a statement in the nature of a report to the Senate on the activities of the International Labor Organization Conference at Montreal, Canada, September 19 to October 9, 1946, at which conference I had the honor to be one of the national representatives of the United States.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. President, an important conference of most of the nations of the world has recently been concluded. The twenty-ninth session of the International Labor Conference was held in Montreal, Canada, from September 19 to October 9, 1946. Forty-six member nations sent representatives, and two nonmember nations, the Philippine Republic and El Salvador, sent observers. There were 8 representatives of the United Nations, 5 representatives of other specialized international agencies, and 14 representatives of provincial governments among the 429 persons participating in the conference.

I attended this conference as one of the two Government delegates nominated by the Secretary of Labor and appointed by the President of the United States.

Members of the Senate will recall that the ILO is an association of nations that has been in existence for 27 years. Fifty-two nations are members of the organization. The ILO is unique among international organizations—both management and labor are voting partners in the work of the ILO. At this twenty-ninth session of the conference, Mr. James David Zellerbach represented American employers, Mr. Robert J. Watt represented the workers of the United States, and Assistant Secretary of Labor David A. Morse and I were the Government delegates. Mr. AUGUSTINE B. KELLEY, of the House, and Miss Frieda Miller, of the Department of Labor, served as substitute delegates. There were also qualified technical persons present to advise the Government, employer, and worker delegates. It was a well-rounded and cooperative delegation—a good team.

Important action was taken at this conference. First, from the standpoint of international significance was the approval of the draft agreement between the ILO and the United Nations. This was the first agreement negotiated under article 57 of the United Nations Charter. When the agreement was approved by the General Assembly of the United Nations in December 1946, the ILO was thereupon brought into relationship with the United Nations Economic and Social Council as a specialized agency.

The agreement will permit the ILO to continue its unique position as an organization devoted to improving working conditions and raising living standards throughout the world. It will also permit cooperation with the United Nations Economic and Social Council to accomplish their mutual objectives of promoting higher living standards, full employment, and social and economic progress and development. Finally, the agreement provides for coordination in the administration of ILO and United Nations affairs for reasons of efficiency and economy.

Both contracting organizations believe that their association will contribute greatly to the realization of their mutual objectives. As Secretary-General Trygve Lie, of the United Nations, told the conference:

"The United Nations needs the full and active support of the International Labor Organization. On the other hand, the International Labor Organization is bound to be strengthened by its close relationship with the United Nations and other specialized agencies."

The Secretary-General also told the Conference of the effect ILO had already had upon the United Nations. He said:

"The successful experience of the International Labor Organization was the most important single factor in developing the new idea of specialized agencies. That experience proved the value of separate organizations, with a large measure of autonomy, operating as instruments of international cooperation in their specific fields."

The second important achievement of the conference was the amendment of the ILO constitution. The experiences of the ILO during the war, the dissolution of the League of Nations, and the establishment of the United Nations were factors requiring revision of the constitution of the Organization.

The Conference had placed before it for adoption a substantial number of significant amendments to the constitution. These amendments were adopted by the Conference and now must be ratified by member states. Since the United States is one of the eight states of chief industrial importance, five of which must ratify amendments before they take effect, this Government's ratification of these amendments is of real importance to the Organization. Ratification of these amendments is also of importance to this Government because the amendments satisfy in almost every detail the interests of the

United States and will, it is believed, greatly strengthen the ILO as the principal international agency for raising labor standards. The Congress will have to take action, and I am informed that proper measures are being taken to present the revised constitution to us for consideration. Since United States membership in the ILO was taken by the President upon the basis of a joint resolution of both Houses, it may be appropriate for the revised constitution to be ratified in the same manner. In connection with ratification of the revised constitution of the ILO, the Senate may be interested to know that the representatives of the governors of 43 States endorsed it at the thirteenth national conference on labor legislation held in December 1946. This is particularly significant in view of the increased State participation in ILO work made possible by the new constitution.

Two of the amendments to the constitution merit brief discussion:

1. PROVISIONS FOR APPLICATION OF CONVENTIONS AND RECOMMENDATIONS

The present constitution provides that conventions or recommendations adopted by the Conference are to be submitted by member governments to the appropriate national authorities for the enactment of legislation or other action. In the case of a convention, if the member obtains the consent of the competent authorities, it communicates a formal ratification to the ILO and reports annually to the ILO on the measures it has taken to give effect to the convention. If a convention is not ratified, or no action is taken on a recommendation, no further obligation rests upon the member. In the case of federal states, like the United States, the power of which to enter into conventions on labor matters is limited, the governments are permitted to treat conventions as recommendations.

The Conference delegation considering revision of the constitution took the view that the work of the organization to raise labor standards might be made more effective by providing for a system of reporting on the extent to which effect is given to any of the provisions of an unratified convention and stating the difficulties which prevent or delay the ratification of the convention.

At the Conference itself, the government representatives of Australia, Canada, and the United States recommended a joint amendment, which clarified further the obligations to be assumed by Federal States. This joint amendment was presented to the constitutional questions committee by the United States Government representative and was adopted without objection. It provides that for conventions covering subjects that lie within the power of the Federal Governments, the obligations of Federal Governments are the same as governments of nonfederal states. In the case of conventions the subject matter of which, in whole or in part, is appropriate for action by constituent States, the Federal Government will refer the convention to the States for the enactment of legislation or other action, and will report to the ILO the extent to which effect is given to any of the provisions of the conventions through Federal or State action.

In recommending this amendment, Mr. David Morse stated:

"In undertaking this obligation, my Government is fully aware of and willing to assume the enormous administrative burden entailed in dealing with 48 State jurisdictions and reporting on their actions. In this connection it is worthy of note that in many instances our States have already surpassed the standards set by ILO recommendations and conventions. Never before, however, were we in a position to obtain formal reports on these matters. Consequently, the proposed amendment will make possible more accurate reflection of the United States' real position with respect to the application of conventions."

2. PROVISIONS CONCERNING NONMETROPOLITAN TERRITORIES

The Conference delegation proposed and the Conference adopted changes designed to increase the participation of nonmetropolitan territories in the works of the ILO. Article 3 was amended to authorize each member nation responsible for the international relations of nonmetropolitan territories to appoint representatives of the territories as additional advisers to its delegates with regard to matters concerning the non-self-governing territories or within their self-governing powers.

Conference delegation proposals dealing with nonmetropolitan territories were clarified by a joint amendment to article 35 proposed by the United States, Great Britain, and the Netherlands. Under this amendment the procedure for application of conventions to nonmetropolitan territories has been clarified and strengthened.

The third important accomplishment of the Conference was the adoption of three conventions and two recommendations for the protection of children and young workers. The interest of the ILO in development of international regulations for the protection of working children dates back to the very beginning of the Organization's work. At the first ILO Conference, held in 1919, two conventions dealing with minimum age and regulation of night work for children in industry were adopted. Action was taken with respect to standards for children in nonindustrial occupations in 1932 when a minimum-age convention was adopted.

At the Montreal Conference further action was taken for the protection of children and young people. The Conference adopted conventions concerning (1) medical examination for fitness for employment in industry of children and young persons, (2) medical examination of children and young persons for fitness for employment in nonindustrial occupations, (3) restriction of night work of children and young persons in nonindustrial occupations and recommendations concerning these subjects. All except the convention concerning medical examination for employment in nonindustrial occupations were adopted unanimously. The recommendations define more explicitly the scope of the conventions and set up more detailed administrative principles and procedures for carrying out the conventions. These conventions and recommendations represent a great step forward in the protection of children and young workers.

The fourth important achievement of the Conference was action preparing for the adoption at the Geneva Conference this June of conventions dealing with non-self-governing territories. At the twenty-sixth session of the International Labor Conference in Philadelphia in 1944 and at the twenty-seventh session in Paris the following year attention was given to the question of social problems and labor standards in non-self-governing territories. Recommendations concerning them were adopted at both Philadelphia and Paris. Certain provisions of these recommendations were deemed appropriate for conventions and were put on the agenda for first discussion at the Montreal Conference.

In accordance with regular ILO procedure, the office prepared a detailed set of draft conclusions which constituted the basis of discussion in the committee on social policy in dependent territories at this Conference. I had the honor to serve as chairman of this committee. We agreed upon the texts of three "conclusions" for approval by the Conference relating to proposed conventions concerning (1) social policy in nonmetropolitan territories, (2) application to such territories of international labor standards contained in 12 existing conventions, and (3) maximum length of contracts. The Conference adopted the report of the committee.

The Conference also adopted resolutions submitted to it by the committee drawing attention of member countries to the need of ratification and application of previously adopted conventions on forced labor, and on recruitment, contracts, and penal sanctions in the employment of indigenous workers; placing the three conclusions on the agenda of the next conference for final decision on conventions covering their provisions; inviting the governing body to take action regarding technical assistance by the office to governments requesting it, regular meetings to implement the proposed convention on social policy, and an ILO branch office in Africa.

Action was taken with respect to a number of other matters coming before the conference, but consideration of these is beyond the scope of this report.

The ILO's association with the United Nations will provide an opportunity for increased service in the cause of peace and improved living standards throughout the world. As a specialized international agency of proved efficiency, the ILO will be in a strategic position to assist materially in the realization of the objectives of the United Nations.

The ILO has outlined for itself an ambitious program. In addition to the regular sessions of the governing body and the conference, the Organization will attempt to hold annual meetings of its eight industrial committees. There will also be regional conferences from time to time, such as the Asiatic Regional Conferences scheduled for 1947 and 1948.

The twenty-ninth session of the International Labor Conference accomplished much. Its achievements afford clear and convincing evidence of the vitality of the ILO and the effectiveness of international cooperation in improving working standards and living conditions throughout the world.

An invaluable concomitant of such international cooperation to establish social justice is world peace. Establishment of the United Nations carried us one step ahead on the road to world peace. Bringing other international agencies like the ILO into relationship with the United Nations has strengthened our facilities for international cooperation and taken us another step forward on this road to peace. To take two steps in the same direction is to walk. We are now walking toward peace. Walking may be a discouragingly slow means of locomotion. International cooperation for peace is, however, still in its infancy, and children must learn to walk before they can run. I have faith in the natural course of human development.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MURRAY:

S. 729. A bill to provide for the payment in a lump sum to Montana State College of national service life insurance granted the late Ralph Coldwater; and

S. 730. A bill to provide pensions for disabled veterans of the World War under similar conditions, and in the same amounts, as now provided for disabled veterans of the Spanish-American War; to the Committee on Finance.

By Mr. BUTLER:

S. 731. A bill to amend the Fair Labor Standards Act of 1938, as amended, so as to exempt from the requirements of sections 6 and 7 of such act employees engaged in the capacity of outside buyers; to the Committee on Labor and Public Welfare.

(Mr. BUTLER also introduced Senate bill 732, to provide for the granting of honorable discharges to certain persons who served in the armed forces during World War I, which

was referred to the Committee on Armed Services, and appears under a separate heading.)

By Mr. CAIN:

S. 733. A bill to authorize the Secretary of the Interior to acquire the property and facilities of the Rainier National Park Co. within the Mount Rainier National Park, Wash., to repair and reconstruct same, and to construct such new facilities as may be necessary to assure adequate summer and winter accommodations for the public visiting said park, and for other purposes; to the Committee on Public Lands.

By Mr. MOORE (for himself and Mr. FERGUSON):

S. 734. A bill to amend the Natural Gas Act approved June 21, 1938, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. REED:

S. 735. A bill to amend paragraph 15 (a), section 1, of the Interstate Commerce Act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. McGRATH:

S. 736. A bill authorizing the Commissioners of the District of Columbia to establish daylight saving time in the District of Columbia during 1947; to the Committee on the District of Columbia.

By Mr. MYERS:

S. 737. A bill for the relief of Mrs. Mary Wadlow; and

S. 738. A bill to amend the act entitled "An act to provide for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal," approved May 29, 1944; to the Committee on Interstate and Foreign Commerce.

By Mr. CONNALLY:

S. 739. A bill authorizing the transfer to the United States Section, International Boundary and Water Commission, by the War Assets Administration of a portion of Fort McIntosh at Laredo, Tex., and certain personal property in connection therewith, without exchange of funds or reimbursement; to the Committee on Armed Services.

By Mr. LUCAS:

S. 740. A bill to record the lawful admission to the United States for permanent residence of Naka Matsukata Rawsthorne; to the Committee on the Judiciary.

By Mr. STEWART:

S. 741. A bill providing for immediate cash redemption of bonds issued pursuant to the Armed Forces Leave Act of 1946 and for future payment of terminal leave compensable under such act in cash; to the Committee on Armed Services.

S. 742. A bill for the relief of R. C. Owen; to the Committee on the Judiciary.

S. 743. A bill to provide for an increase of 20 percent in the monthly rates of pension payable to veterans of the Spanish-American War and their dependents; to the Committee on Finance.

By Mr. EASTLAND:

S. 744. A bill to prohibit the Government from furnishing stamped envelopes containing any lithographing, engraving, or printing; and

S. 745. A bill to amend the act entitled "An act authorizing the Director of the Census to collect and publish statistics of cottonseed and cottonseed products, and for other purposes," approved August 7, 1916; to the Committee on Civil Service.

S. 746. A bill for the relief of Robert E. Graham; to the Committee on the Judiciary.

By Mr. CAPEHART:

S. 747. A bill for the relief of J. H. Westfield; and

S. 748. A bill for the relief of Margaret Dunn; to the Committee on the Judiciary.

By Mr. BRICKER (for himself, Mr. CAIN, and Mr. ROBERTSON of Virginia):

S. J. Res. 79. Joint resolution to provide for the temporary continuation of the functions of the Reconstruction Finance Corporation with respect to the importing, purchase, production, allocation, and disposition of rubber; to the Committee on Banking and Currency.

HONORABLE DISCHARGES TO CERTAIN MEMBERS OF THE ARMED FORCES

Mr. BUTLER. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill providing for the granting of honorable discharges to certain persons who served in the armed forces during World War I. I request that a statement prepared by me in explanation of the bill may be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred, and without objection the statement presented by the Senator from Nebraska will be printed in the RECORD.

There being no objection, the bill (S. 732) to provide for the granting of honorable discharges to certain persons who served in the armed forces during World War I, introduced by Mr. BUTLER, was received, read twice by its title, and referred to the Committee on Armed Services.

The statement presented by Mr. BUTLER was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUGH BUTLER

Mr. President, the bill I am introducing today is designed to do justice to a large class of men who received discharges other than honorable from the United States Army during World War I.

During 1917 and 1918, a large number of enemy aliens became members of the United States armed forces. In the case I have particularly in mind, Fred F. Koslowski, a respected citizen of my State, Polish by origin, but classed as a German national because his part of Poland was at that time under German rule, was a sergeant in the Army. He had already taken out his first naturalization papers. The Army, however, decided to force the discharge of as many enemy aliens as possible, but to refuse to grant them honorable discharges. Mr. Koslowski was told bluntly that he would have no chance to become an officer or to serve overseas and that he might as well resign. His discharge was "other than honorable." Since that time, he has acquired American citizenship and has maintained the same fine record of citizenship and service that his record shows he rendered in the Nebraska National Guard and later in Federal service.

His case has been taken up with the War Department on several occasions, but the War Department has persistently refused to grant an honorable discharge. The last letter I have received from the War Department indicates clearly to me that the Department did not even trouble to give the case careful consideration.

Mr. President, last summer in the Congressional Reorganization Act, we decided to stop the practice of introducing individual bills for correction of military records. In that act, we granted full authority to the War Department to correct injustices. In this case, the injustice is apparent. This honorable discharge is being denied for no reason except that the man in question was at that time a German national. It happens that, being a Pole, he was probably much more bitterly anxious to fight against the Germans than were many of our own citizens. Nevertheless, he was denied promotion and virtually forced to accept a discharge without honor. If this is not injustice, I have never seen it. If the War Department does not intend to use its authority to correct injustice to better effect than this, it occurs to me that we may have to return to the practice of handling these cases by private bills, much as I would regret such a step.

My bill would simply direct that honorable discharges be granted to those men in the position of Mr. Koslowski, who were forced out of the service without honor by reason of their nationality and who later became United States citizens.

HELEN A. GRICKIS

Mr. MOORE. Mr. President, I ask unanimous consent to submit a resolution, and request its immediate consideration.

There being no objection, the resolution (S. Res. 88) was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate is authorized and directed to pay out of the contingent fund of the Senate, to Helen A. Grickis, the sum of $297.82, as compensation for services performed by her in distributing the Final Report of the Special Committee Investigating Petroleum Resources, in answering the accumulated correspondence, and in performing other duties incident to the termination of the work of said committee during the period of February 1 to 25, 1947, said sum to be paid from the balance remaining to the credit of said committee.

INVESTIGATION OF NATIONAL DEFENSE PROGRAM—INCREASE IN LIMIT OF EXPENDITURES

Mr. BREWSTER, from the Special Committee To Investigate the National Defense Program, reported an original resolution (S. Res. 89), which was referred to the Committee on Rules and Administration, as follows:

Resolved, That the limit of expenditures under Senate Resolution 71, Seventy-seventh Congress, first session, agreed to March 1, 1941, and resolutions supplemental thereto and amendatory thereof, including Senate Resolution 46, Eightieth Congress, first session, agreed to January 22, 1947 (relating to the investigation of the national defense program) is hereby increased by $150,000.

COMPENSATION OF DEPUTY CLERKS AND COMMISSIONERS OF DISTRICT COURTS—AMENDMENT

Mr. EASTLAND submitted an amendment intended to be proposed by him to the bill (S. 157) to amend the act entitled "An act defining the compensation of persons holding positions as deputy clerks and commissioners of United States district courts, and for other purposes," approved June 16, 1938, which was referred to the Committee on the Judiciary, and ordered to be printed.

REDUCTION OF INDIVIDUAL INCOME TAX PAYMENTS—AMENDMENT

Mr. STEWART submitted an amendment intended to be proposed by him to the bill (H. R. 1) to reduce individual income tax payments, which was referred to the Committee on Finance, and ordered to be printed.

EXEMPTION OF EMPLOYERS FROM LIABILITY FOR PORTAL-TO-PORTAL WAGES—AMENDMENTS

Mr. McGRATH submitted amendments intended to be proposed by him to the bill (S. 70) to exempt employers from liability for portal-to-portal wages in certain cases, and for other purposes, which were severally ordered to lie on the table and to be printed.

Mr. BUTLER submitted an amendment intended to be proposed by him to the bill (S. 70) to exempt employers from liability for portal-to-portal wages in certain cases, and for other purposes, which was ordered to lie on the table and to be printed.

THE PACKING OF SAUERKRAUT IN NO. 2 CANS

Mr. WILEY. Mr. President, today I addressed to Hon. Clinton P. Anderson, Secretary of Agriculture, and Gen. Philip B. Fleming, Administrator, Office of Temporary Controls, a letter inviting their attention to what I think is a very serious case of bureaucratic bungling. I called attention to the fact that certain officials in the Office of Temporary Controls who are administering Order M–81 to grant application for the packing of sauerkraut in No. 2 cans are "missing the boat." Former President Hoover in a statement printed in this morning's newspapers says that the food situation in Germany is very critical, and calls for the appropriation of nearly one-half billion dollars to be used in an effort to keep starvation and the ensuing deterioration and disorder from that country. Yet, here at home a policy is being followed under which certain foods are permitted to perish. This letter goes into details on the subject, and I ask that it be printed in the RECORD following my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEBRUARY 28, 1947.

Hon. CLINTON P. ANDERSON,
Secretary of Agriculture,
Washington, D. C.

Gen. PHILIP B. FLEMING,
Administrator, Office of Temporary Controls, Washington, D. C.

GENTLEMEN: I am addressing this letter to you to invite your attention to what I regard as a most serious case of bureaucratic bungling and blockheadedness; namely, the refusal of certain officials in the Office of Temporary Controls, who administer Order M–81, to grant applications for the packing of sauerkraut in No. 2 cans.

While this may seem at first glance a purely isolated and minor case, nevertheless it affects so many cabbage growers and canners in my own and other States and it so symbolizes the type of work of bureaucratic square pegs in round holes that I am addressing this urgent letter to you and to other officials who I hope will take immediate corrective action on it.

The headlines tell us this very morning of former President Hoover's appeal for food for the stricken German population, and of the grim want and hunger throughout the world. Why, then, should not urgent action be taken to put to good use the supply of vitamin-rich sauerkraut instead of allowing it to spoil as much of it now seems, unfortunately, destined to do?

The sauerkraut packing industry has addressed repeated appeals for No. 2 cans and sufficient tin for the packing of kraut which is now filling the industry's tanks. I should like to cite the various facts which it seems to me irrefutably reenforce these appeals:

1. Urgency of need: We may note first that the industry's tanks are filled at the present time to 70-percent capacity, whereas the normal percentage at this time of year is 20 to 25 percent. The normal kraut-consuming season will be past its peak in another 30 days. With the use of No. 2 cans, the industry would be able to move between 20 and 25 percent of the kraut in its tanks in the next 30 days.

The kraut industry cannot plan for the next season with its tanks 70 percent full of bulk kraut at the present time. If uncorrected, this condition will result in upsetting of the economic structure of the portion of the food industry that pertains to cabbage growing and kraut packing. The cabbage growers cannot possibly move their cabbage crop, since the kraut industry will not be able to take care of same unless it has immediate relief. The result will be that the Department of Agriculture will be faced with a tremendous crop of cabbage for which it will have to find a home.

In the normal years before the war 25 percent of the entire industry's pack was put in No. 2 tins and the percentage was increasing every year. In the Middle West, as high as 70 percent of individual packs were put in No. 2 tins; therefore, the industry is losing a considerable distribution.

2. Potential loss to Government: The United States Government will face a loss of revenue from taxes on an industry valued at from seven to nine million dollars, plus possible retroactive tax claims against the Government on losses for the year 1947.

3. Reasons for need of No. 2 can: Since the end of World War II, hundreds of thousands of GI's and their families (consisting of a wife and possibly one child) have been forced to live in trailers and one-room shacks due to the housing shortage. They have no refrigeration equipment and will not buy a No. 2½ can of kraut, which contains approximately 30 ounces of kraut, because they cannot use this amount in one meal. The average small family, even if it has refrigeration facilities, will not buy a 30-ounce can of kraut which it cannot use in one meal, as it will not put the remainder of the kraut in the refrigerator because the aroma might permeate the other foods. The majority of the kraut packers have received countless numbers of requests for a No. 2 can size of sauerkraut, the reasons being that the No. 2½ can, which is the smallest size permitted under M–81, results in the spoilage of the unused portion of the product after the meal, for the reasons stated above.

4. Discrimination against kraut-packing industry: The movement of the kraut has been held up since last fall due to the fact that the industry was not permitted the use of No. 2 tins, while some 45 other vegetable items were permitted the use of No. 2 tins and smaller sizes. During the war, dog foods, oil, kraut, and other items were not permitted the use of tin for civilian sale. While dog foods and the other industries were again given tin even before they had purchased the necessary raw materials, their can sizes were not restricted. Yet kraut was not permitted to use No. 2 cans even after the packers had already purchased their raw material. The kraut industry is one of the oldest canning industries, while many other enterprises like dog food in tin are relatively new.

5. Saving of materials through No. 2 can: The permitted use of No. 2 cans for the packing of kraut would only increase the use of tin 10.3 percent on that portion of the kraut put into No. 2 cans. However, the use of No. 2 cans would save materially on the steel requirements, because the No. 2 can is made up of a body of 90 gage and ends of 95 gage, while the No. 2½ can is made up of both body and ends of 95 gage.

6. Splendid record of kraut industry: May I remind you, gentlemen, that the kraut industry has always done more than its share in cooperating with the Government. During the war, for instance, the industry often took care of surplus cabbage crops from Wisconsin to Texas and from California to New York.

These facts, it seems to me, justify immediate action for relief of the kraut industry from order M–81 in order to allow it No. 2 cans for packing.

Looking forward to hearing from you on this matter and with every good wish, I am,

Sincerely yours,

ALEXANDER WILEY.

BROADCAST BY STATION WFIL, PHILADELPHIA, OF TRIAL OF THE COINS

Mr. MYERS. Mr. President, on February 12, 1947, WFIL, Philadelphia, made the first broadcast in the history of one of the country's oldest ceremonial functions. As ordered by Federal statute in 1792, the United States Mint at Philadelphia held the annual Trial of the Coins. This year's Assay Commission is the one hundred and fifty-fifth in our country's history, 154 having been held in Philadelphia, while one, in the year 1801, was held in Washington. Mrs. Nellie Tayloe Ross, Director of the United States Mint, conducted the broadcast.

Because of its educational importance, particularly to Philadelphia school children, WFIL considered this event a "must" in the interest of public service. This station is one of the most influential forces in the community and I congratulate it upon the fine service which it is rendering to the people of Pennsylvania.

GRAZING LANDS—ARTICLE BY FREDERICK P. CHAMP

[Mr. HATCH asked and obtained leave to have printed in the RECORD an article dealing with Government-held grazing lands, by Frederick P. Champ, published in the Denver Post of February 23, 1947, which appears in the Appendix.]

NEW JERSEY'S FIGHT ON CANCER—ADDRESS BY GEORGE E. STRINGFELLOW

[Mr. REVERCOMB asked and obtained leave to have printed in the RECORD an address entitled "How New Jersey Raises Funds and Fights Cancer," delivered by George E. Stringfellow, president of the New Jersey division of the American Cancer Society, at St. Louis, Mo., February 7, 1947, which appears in the Appendix.]

THE CANCER PROBLEM—EDITORIAL FROM THE NEWARK (N. J.) STAR-LEDGER

[Mr. REVERCOMB asked and obtained leave to have printed in the RECORD an editorial entitled "A Jersey Adventure," dealing with the subject of cancer, published in the Newark (N. J.) Star-Ledger of February 16, 1947, which appears in the Appendix.]

DEFINITION OF DEMOCRACY—EXCERPT FROM EDITORIAL IN LIFE

[Mr. BALDWIN asked and obtained leave to have printed in the RECORD an excerpt from an editorial on democracy, published in Life magazine, which appears in the Appendix.]

EDITORIAL COMMENT ON LINCOLN DAY ADDRESS BY GOV. GREEN, OF ILLINOIS

[Mr. BROOKS asked and obtained leave to have printed in the RECORD an editorial entitled "An American Program for the Republican Party," published in the Chicago Herald-American of February 26, 1947, which appears in the Appendix.]

FINAL ADDRESS TO THE PEOPLE'S COURT BY ARCHBISHOP STEPINAC

[Mr. McGRATH asked and obtained leave to have printed in the RECORD a pamphlet entitled "My Conscience Is Clear—I Am

Ready to Die," being the English translation of the final address to the people's court made by Archbishop Stepinac at his trial in Zagreb, Yugoslavia, which appears in the Appendix.]

HOUSING FOR VETERANS (H. DOC. NO. 151)

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read and referred to the Committee on Banking and Currency.

(For President's message, see today's proceedings of the House of Representatives on p. 1578.)

REPORT OF NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read and, with the accompanying report, referred to the Committee on Interstate and Foreign Commerce.

(For President's message, see today's proceedings of the House of Representatives on p. 1574.)

THE LEGISLATIVE BUDGET

The Senate resumed the consideration of the concurrent resolution (S. Con. Res. 7) establishing the ceiling for expenditures for the fiscal year 1948 and for appropriations for the fiscal year 1948 to be expended in said fiscal year.

The PRESIDENT pro tempore. The parliamentary situation at the moment is as follows: The question is on agreeing to the amendment proposed by the Senator from Ohio [Mr. TAFT] to the amendment of the Senator from California [Mr. KNOWLAND], to strike out in line 4 the numeral "3" and in lieu thereof to insert the numeral "1." Upon the amendment to the amendment the yeas and nays have been ordered. The Senate is proceeding under a 20-minute limitation on debate. The Senator from Ohio [Mr. TAFT] is recognized.

Mr. TAFT. Mr. President, I wish to speak briefly on the proposal of the Senator from California to make a compulsory application to the national debt of $3,000,000,000 of any excess. The figures in the resolution, as it has now been amended by the Senate, show that our estimates are $39,100,000,000 for receipts and $33,000,000,000 for expenditures, or a total excess of $6,100,000,000. The application of $3,000,000,000 on the debt would leave approximately $3,000,000,000 available for tax reduction.

My own feeling is very strong that the question of tax reduction is more important at the present time than the question of the reduction of the debt. That is due in part to the fact that we do not have a normal budget. Our expenditures are steadily decreasing. After this year they should be decreased by four or five billion dollars more. There is still a substantial amount of expenditures as a result of the aftermath of the war, which expenditures will disappear in the next year or 2 years.

I think the Senator from California is correct in stating that in the Reorganization Act itself there is a reference to the application of funds to reduce the debt, although it is somewhat indefinite. The La Follette-Monroney Act provides that if the estimated receipts exceed the estimated expenditures, the report shall contain a recommendation for a reduction in the public debt. It does not specify the amount, but probably the spirit of the act is that some amount should be named; and I have no objection to naming an amount, although I really prefer to determine at a later date what disposition is to be made of the $6,000,000,000 of excess. It seems to me that the less we tie our hands beyond what is actually required by law, the better off we shall be.

I believe that a reduction of $3,000,000,000 in the public debt at the present time would not be a good thing for the economy of the country during the next year. I think it should be pointed out that that would mean taking from the people of the United States $3,000,000,000 more than we are paying out. That is to say, we would be reducing the purchasing power of the people by $3,000,000,000.

Furthermore, we are also taxing, and properly charging to the budget, all the receipts for the old-age pension fund, for the unemployment trust fund, for veterans' life insurance, for the Federal employees' retirement fund, and for the railroad retirement account, and we are paying out of those funds very much less than we are taking in. In other words, we are taxing the people through those funds approximately $2,700,000,000 more than we are actually paying out of the funds. So the net result, if the amendment of the Senator from California should be adopted, would be to take away from the people of the United States during the next fiscal year approximately $5,780,000,000 more than the Government would pay out. We should be reducing the purchasing power of the people by that much.

I doubt whether that is a wise thing to do. The President's Economic Report calls attention to the fact that there is danger of a steady decrease in purchasing power during the next year. He says:

> Maximum production and employment this year would yield a substantial increase in the available supply of consumer goods and services, especially in the area of durable goods. This requires higher real purchasing power to take the goods off the market. If price and wage adjustments are not made, and made soon enough, there is danger that consumer buying will falter, orders to manufacturers will decline, production will drop, and unemployment will occur.

I do not know how great that danger is, but it seems to me that as a matter of degree we should be making a mistake now if we were to commit ourselves to take out of the people's purchasing power $5,700,000,000 more than the Government is spending or giving back to the people. I believe that an annual reduction in the debt of between one billion and two billion dollars is desirable. I point out that the actual existence of the debt is not at the time a danger. The danger was in the increase of the debt when we inflated purchasing power by tremendous figures, beyond anything that we were taking away from the people, and created a steadily rising price and wage level. Of course the debt should be reduced, but I think the reduction should be gradual, and not so fast as to have a deflationary influence, or result in a reduction of the proper standards of activity in the United States. Of course that is a question of degree. I should like to reduce the debt to a sufficient extent every year so that the credit of the Government would remain good, and its bonds would be strong, and so that gradually we could get down to a figure from which we could start with greater safety if we should have another war or another extraordinary emergency in the United States.

Furthermore, apart from the question of the effect of taking this money away from the purchasing power of the people, it seems to me that tax reduction in itself is an end. Everyone must admit, I believe, that the very purpose of cutting the budget and trying to accomplish the results which we are now trying to accomplish is to reduce the tax burden on the people of the United States. The only question involved is a question of timing. Should we do it this year, or wait until 12 months from now?

I think we should make such a tax reduction today. I think it is desirable and necessary if we are to encourage the people to start new businesses, to reorganize their old businesses, and to put money into new enterprises which will furnish new jobs and maintain the present high level of employment, which is high because of many rather extraordinary circumstances. Wartime activities must be replaced by more permanent and normal peacetime activities.

I believe that it is worth while to call attention to the taxes now imposed by the Government, merely from the standpoint of the tremendous burden which they place on most of the people of the United States. In this discussion I shall deal only with those who are today receiving incomes of $5,000 a year or less. It is rather interesting to note that the group receiving $5,000 a year or less is by far the overwhelming majority of those who pay taxes.

Today returns are filed by 44,817,360 persons who receive $5,000 a year or less, as compared with 1,866,000 returns from those receiving more than $5,000 a year. The question of tax reduction and its effect on economy is primarily a question of the tax on those with incomes of $5,000 and less.

A single man or woman—a schoolteacher, for example, who receives $1,000 a year must pay $95 in taxes. I do not know how a person can live on $1,000 a year.

A married couple with an income of $1,500 must pay $95 in taxes.

A married couple with one child and an income of $2,000 must pay $95 in taxes.

A single woman with an income of $1,500 must pay $190 in taxes.

A married couple with an income of $2,000 must pay $190 in taxes, or practically 10 percent of what they receive. I do not know of any married couples who find it easy to live on $2,000.

A married couple with one child and a total income of $2,500 must pay $190 in taxes.

A married couple with an income of $3,000 must pay $380 in taxes.

A married couple with an income of $4,000 must pay $589 in taxes.

A married couple with a gross income of $5,000 must pay $800 in taxes.

That is a perfectly terrific burden on the people of the United States. Forty-five million taxpayers fall in that class. Whatever the burden may be on those who receive from $12,500 to $15,000, as do Senators, the burden is nothing like that falling on those with incomes of $5,000 and less.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. TAFT. I am sorry, but I cannot yield at this point. If I have to take time on the resolution itself, I shall yield.

Mr. President, I believe very strongly that taxes themselves are a tremendous burden. In the upper brackets they are a deterrent. Many corporation executives, for example, feel that it is useless to work any harder. They would rather go to Florida and earn less, because the Government takes practically all the additional money they can earn.

I find the same tendency among writers. When they find the Government taking 75 percent of their earnings they do not care to work. Taxes are a general deterrent in that respect.

In the upper brackets, with a tremendous tax, people are deterred from putting money into risk enterprises. They would rather put it into Government bonds and receive 1 percent than to take a chance on losing it in projects that would put people to work and develop industry. It is far better from their standpoint, under present tax rates, simply to take a safe return and not go into a game in which, if they lose, they lose their own money, or if they win, the Government takes it all away from them.

The total burden of Federal taxation is $39,100,000,000. If there be added ten or eleven billion dollars of State and local taxes it amounts to approximately $51,000,000,000 out of a national income of $160,000,000,000, which is approximately 30 percent of the total, or approximately one-third. On the average people are working 1 day in 3 for the Government. I do not see how free enterprise can survive under such conditions. The reduction of taxes is an end in itself, and I do not believe we ought to tie our hands so that we cannot give whatever tax reduction we may wish to give.

It has been said that in the conference the question will probably be resolved, and that in the adjustment of the figures with the House there will result a substantial tax reduction. It seems to me that as a question of policy the Senate should declare that it does not want to make a compulsory application on the debt now without having considered the question of how much tax reduction we ought to give. I think we ought to say that we will apply $1,000,000,000 on the debt, providing a definite cushion against the possibility of not balancing the budget. Later, when we come to the question of tax reduction, in the interest of the economic welfare, in the interest of prosperity, and in the actual interest of the welfare of the taxpayers of the United States, we can make such reduction as we think best.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Colorado.

Mr. MILLIKIN. I think it is quite certain that we are to arrive at a certain figure. I believe it would be a very fortunate thing, and reassuring to the country, if our debate did not involve figures having within themselves too wide a disparity. During the course of the Senator's very able remarks he said that he thought the figure should be somewhere between one and two billion dollars. I wonder if, after further developments of the debate, he might be willing to change his own amendment to make the figure 2 instead of 1?

Mr. TAFT. It is a question of degree. I think $3,000,000,000 is certainly too much. If the chairman of the Committee on Finance feels that $2,000,000,000 is sufficient protection, and we have sufficient opportunity to consider what tax reductions might possibly be made this year, I am perfectly willing to modify my amendment to $2,000,000,000 if that is what the chairman of the Committee on Finance thinks should be done.

The PRESIDENT pro tempore. The yeas and nays have been ordered. It will require unanimous consent for the Senator to change his amendment. Does he ask unanimous consent?

Mr. TAFT. No; I have not yet done so, because I do not know what the Senator is asking me to do.

Mr. MILLIKIN. I am somewhat conscious of the fact that I shall be one of the conferees on this subject, and I should like very earnestly to suggest that at an appropriate time, possibly under the development of debate, the Senator modify his amendment so as to make the figure $2,000,000,000.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from Ohio [Mr. TAFT] to the amendment of the Senator from California [Mr. KNOWLAND].

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Maryland.

Mr. TYDINGS. I am somewhat concerned as to the figure which shall be finally settled. Whether it be $5,000,000,000 or $4,500,000,000, does the Senator from Ohio suggest that $1,000,000,000 of the $5,000,000,000 should be applied to the debt and that three or four billion dollars should be applied to tax reduction?

Mr. TAFT. Not necessarily. One billion dollars would be definitely applied to the debt. Of course, the debt is in this situation, that when we have decided on what tax reduction should be made, whatever is left is automatically applied to the debt. A specific resolution in that regard would not be required in determining how much tax reduction is desirable. It may be in excess of $1,000,000,000; it may be $2,000,000,000. I think probably it could be $2,000,000,000. But I think it is too much to say definitely now that $3,000,000,000 should be applied on the debt.

Mr. TYDINGS. If I may pursue the inquiry further, we are about to adopt a ceiling for cuts in expenditures which in my judgment will finally be either five billion or six billion dollars. If we are to have that ceiling as our objective, then we should have a similar objective as to the amount of payment on the debt. If we are to save $6,000,000,000, we can readily apply $3,000,000,000 on the debt. If it is conceded that we cannot save that much, then I think the amendment of the Senator from Ohio might come with more force. But so far no Senator has advocated a saving of less than $4,500,000,000.

Mr. TAFT. There is a saving of $4,500,000,000. The budget, which we are cutting, has a surplus of a billion and a half dollars; that gives a total of about $6,000,000,000. So before we can consider tax cuts at all we must give priority to the application of $3,000,000,000 on the debt. My only point is that we ought not to tie our hands in relation to tax reduction. We should determine what is necessary for tax reduction and then whatever is left over should go on the debt.

Mr. TYDINGS. I understand the position of the Senator from Ohio, but it seems to me that if we set our sights for a payment of only $1,000,000,000 on the national debt we are saying in effect that there is not going to be a $4,500,000,000 or $6,000,000,000 cut in the budget, because if we knew for certain that there was to be a $6,000,000,000 saving in the budget, I do not believe the Senator from Ohio would object to paying $3,000,000,000 on the national debt. But the very fact that he offers an amendment providing for a payment of only $1,000,000,000 on the national debt leads me to believe that the possibility of reaching a figure of either $4,500,000,000 or $6,000,000,000 in savings is pretty nebulous.

Mr. TAFT. No; that does not follow at all. The figure I have had in my mind is that we should cut the over-all tax burden which I have tried to describe by approximately 20 percent, or $3,500,000,000. I should hate to tie our hands so that we cannot make at least a 20-percent cut. If it is decided that it is not safe to reduce taxes to that extent, and that the figure should be $2,500,000,000 or $3,000,000,000, well and good; but I do not think we ought to tie our hands now and say that under no circumstances can we cut taxes by more than $3,000,000,000. I do not see why we should do that. Why should we now determine that question? Why not determine it when we come to the question of tax reduction?

Mr. TYDINGS. Mr. President, let me recall to the Senator that a moment ago he said that a billion and a half dollars——

The PRESIDENT pro tempore. The time of the Senator from Ohio has expired.

Mr. HOLLAND. Mr. President, will the Senator from Ohio yield for a question?

Mr. TAFT. I shall be glad to yield in the Senator's time.

Mr. HOLLAND. I was impressed with the figures the Senator gave in his argument as to the amount by which the unfunded indebtedness will be increased. As I recall, he stated the figure as $2,700,000,000, due to the collections this year on such items as social-security

taxes and the like. In the event the Senator's amendment is adopted and we are obligated to make a reduction of $1,000,000,000 on only the funded obligations, it seems to me that would leave the Members of the Congress in the position of committing ourselves to bringing about a situation under which the total obligations of the Nation, both funded and unfunded, would be increased, instead of diminished. I wonder whether the Senator has a comment to make on that point.

Mr. TAFT. No, Mr. President; the Senator from Florida is not correct. The question of the money collected in taxes and put into trust funds does not affect the budget, nor does it affect the debt. I have not used it in any way as bearing on the question of balancing the budget or reducing or increasing the debt. I use it only to show that we are actually taking out of the hands of the people approximately $2,700,000,000, and are putting it away in a closet, and are decreasing their purchasing power by that much; even before we get to the question of reducing the debt we are actually drawing that much more than we are spending. If we then reduce the debt $3,000,000,000, we are taking away in all $5,700,000,000 of the purchasing power of the people, which they cannot spend.

What happens is that with that money, which comes in as taxes under the old-age-pension fund, we buy bonds, either in the open market or from the Treasury; and if they are purchased from the Treasury, then the Treasury has that much cash with which it retires bonds in the open market. So there is no effect on the total debt. When we conclude that process, the total outstanding debt is just what it was when we started, except the Government owes some of it to itself, instead of to the public. That process does not create that much more debt, simply because the unfunded note is put into the old-age-pension fund.

Mr. HOLLAND. Mr. President, will the Senator yield for a further question?

Mr. TAFT. I yield.

Mr. HOLLAND. Then, is it the understanding of the Senator from Ohio that collections of the type he has mentioned, such as social-security taxes, are actually being invested in bonds which constitute a trust fund in the form of that investment?

Mr. TAFT. Yes.

Mr. HOLLAND. That has not been my understanding.

Mr. TAFT. Yes; that is what is being done. As I understand, the Government issues a kind of informal bond of so much money—let us say, $1,000,000,000—in return for which it gets cash from the old-age-pension fund, which has collected the cash in taxes, and then it takes that $1,000,000,000 and reduces the outside debt by that amount. I think that is the actual process.

Mr. SALTONSTALL. Mr. President, during the past 2 weeks I have listened intently to the debates on the legislative budget. I have hesitated to think that at this late date I could add anything to what has been said, but it seems to me there are several points which thus far have only been touched upon. These points I should now like to emphasize.

The junior Senator from California [Mr. KNOWLAND] made an appealing argument concerning the importance of reducing the national debt. With that argument, I entirely agree, but I respectfully differ with him as to what should be done with debt reduction in connection with the resolution which is now before the Senate.

Section 138 of the Congressional Reorganization Act requires us to include in our legislative-budget resolution a recommendation for a reduction in the public debt if the estimated receipts exceed the estimated expenditures.

I have on my desk, Mr. President, an amendment which I may offer in due course. It would cover the budget resolution and at the same time would be a little less definitive, a little less compulsory, and a little less of a moral commitment than the amendment of the Senator from California.

Most of the debate on the resolution has concerned itself with the amount of expenditures to be made in the fiscal year 1948—whether the recommendations of the President should be cut $6,000,000,000, $4,500,000,000, or more or less. There have been broad differences of opinion as to how much the cut should be and what expenditures for the Army and Navy should be. That point has just been brought out by the Senator from Maryland [Mr. TYDINGS] in his questions addressed to the Senator from Ohio [Mr. TAFT]. When we discuss current appropriations, we are debating something that is completely within our power to control. We do not have to vote appropriations unless we decide that they are wise appropriations to make.

On the other hand, the reduction of debt involves several factors, some of which are beyond our control. Reduction of debt cannot be accomplished unless the money is in the pocket of the debtor at the time when the debt is to be paid. We can make estimates now of the revenues we expect the Government to receive from the taxes we establish, but whether the taxes so levied will produce revenue that in the next fiscal year will exceed the expenditures, and, if so, by how much, is a matter that is not presently in our control. Whether the estimates will be met is a matter that time, and time alone, can tell. Let us remember that Uncle Sam must have the cash in his pockets at the time when he pays off and retires an outstanding debt. He cannot pay it off on guesses or estimates. We all agree that in this first year of the legislative budget our statements are to a great extent guesses or estimates. They cannot be based on accurate calculations. Those can come only after the proposals for expenditures are examined in detail. What the excess of revenues over expenditures in the next fiscal year will be cannot be definitely known, in my opinion, before at least a year elapses. Whether our Government will have in its pockets at that time sufficient excess revenues to warrant reducing the debt by $3,000,000,000 or a greater amount depends on the flow of revenue derived from the taxes finally provided for by the Eightieth Congress. I approve, as do we all, of making the maximum reduction of our debt consistent with national security and the Nation's needs. I am in hearty sympathy with the thought of the junior Senator from California. On the other hand, I feel the same way about the reduction of the debt as I did about the reduction of expenditures. It becomes at best a guess or an estimate; and that estimate, I consider, becomes to a large degree a moral commitment on our part. I want to see expenditures reduced to the greatest possible degree consistent with our national security and our national needs; but, concurring in the view so ably stated by the Senator from Michigan [Mr. VANDENBERG] I would prefer at this time to a cut of a smaller amount, with the sincere hope that we can make it a greater amount when the matters are examined in detail, rather than to recommend a larger cut which at the moment is more than we are able to sustain when the recommendations are minutely examined. Likewise, I believe it is much wiser for us to agree to a debt reduction of something less than $3,000,000,000. My amendment proposes that the reduction be not less than $1,000,000,000 or more than $3,000,000,000. This gives a leeway of $2,000,000,000 against future contingencies. It leaves a greater flexibility of commitment by us; and at the same time, in my opinion, it fulfills the requirements of the Reorganization Act. It is more a realistic approach to the problem of cutting down the national debt. It involves a moral commitment that is more likely of fulfillment, considering all the known and unknown factors.

Throughout this debate we have heard somewhat of the problem of tax reduction. The senior Senator from Ohio has just emphasized them. Many Members are giving serious thought to some form of tax reduction at this session. But some of our most distinguished Members have stated that they prefer to reduce the debt before reducing taxes. Many people throughout our country hope and expect to receive the benefit of some tax reduction. Perhaps we have given them false hopes. Perhaps our statements as to the amount of possible cuts in expenditures may give them exaggerated ideas, but I, personally, feel that if we can give some tax reduction this year, it will enormously increase the confidence of our citizens, and provide an incentive to greater production. I, personally, feel that some tax reduction this year is justified even if it results in a smaller amount of debt reduction. I hope that greater production will bring greater tax revenues, and thus permit us to reduce our national debt in greater amounts in 1949. The question before us at this moment, therefore, on the very little information we have at hand—and with the hopes engendered in the minds of many people—is as to how much debt reduction to make, how much tax reduction to consider.

The senior Senator from Virginia [Mr. BYRD], in his able address on Wednesday, February 19, stated—and I quote the figures from page 1170 of the RECORD—that the present estimate of $38,800,000,000 in tax revenues for the fiscal year 1948 was

based on an anticipated national income of $167,000,000,000. This, I believe, is the largest anticipated income in the peacetime history of our country. We cannot be certain that in the fiscal year of 1948 this estimate will be fulfilled. If, as the distinguished Senator says, this anticipated income falls from $167,000,000,000 to $160,000,000,000, our revenue will shrink by $4,300,000,000. "If our income," he states, "falls to $150,000,000,000, then the revenue will shrink by $6,000,000,000." In other words, it takes but a comparatively small shrinkage of the country's income to reduce our revenue to a point where no debt reduction can be made, and where our revenues may not even equal our reduced estimate of expenditures.

Mr. FERGUSON. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I yield.

Mr. FERGUSON. Can the Senator inform us what the highest wartime national income was?

Mr. SALTONSTALL. I have not that figure and am not certain of it, but, as I recall, it was around $200,000,000,000.

In the recent colloquy between the Senator from Ohio and the Senator from Maryland, the Senator from Maryland spoke of the reduction of expenditures and the reduction of the debt, but at no time in the discussion was any consideration given to the fact that the revenues of the country, on which such reductions must be made, would be maintained at $39,100,000,000, the figure in the estimate which is before the Senate today.

Mr. President, I hope that this statement is not unduly pessimistic about our future. I hope that our revenues will not fall off. I hope that we may reduce our taxes, and that greater production will bring an increase of revenue rather than reduced revenues; but these are all uncertainties. They make our estimates at this time even more hazardous. I, personally, am sorry that we had to reach such vital conclusions on so little information as it was possible for us to receive at this particular session. But in voting on the pending resolution we fulfill one of the responsibilities imposed by the Reorganization Act. I feel that, having acted, we are morally bound to do our utmost to fulfill the estimates set forth in this legislative budget. If we feel that they are moral commitments, we must be careful not to create the feeling in the minds of our people that the estimates of our expenditures are greater than the expenditures actually will be and that the national debt is to be reduced by a greater amount than it can be. The revenues of our Government, as I have already stated, are not entirely in our hands to control. We create the tax laws, but the revenues such laws produce depend upon our country's productive ability. Our debt can be paid only when Uncle Sam has the funds with which to pay it.

As I have said, Mr. President, I may or may not submit the amendment which is on the desk in relation to the subject of debt retirement, but the main point of my amendment is to give greater flexibility to the pending resolution, considering all known and unknown factors. I hope we may ultimately have some debt reduction in the next fiscal year. I hope that ultimately we may have some tax reduction in the next fiscal year, I hope our expenditures in the next fiscal year will be kept lower than we now estimate them; but in all these matters I would rather now make commitments we can safely promise to keep than commitments which will be beyond our power to keep.

For the reasons I have given, Mr. President, I hope we may proceed carefully in acting on the subject of debt reduction.

Mr. HAWKES. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I yield to the Senator from New Jersey.

Mr. HAWKES. I understood the Senator from Michigan [Mr. FERGUSON] to ask what was the highest national income of the Nation, and I understood the Senator from Massachusetts to say he thought it was somewhere around $200,000,000,000.

Mr. SALTONSTALL. The Senator from New Jersey is correct; but that was a guess.

Mr. HAWKES. I may not be correct, but my best information is that the income on which we are basing our proposed action, namely $167,000,000,000, I think it is——

Mr. SALTONSTALL. That is correct.

Mr. HAWKES. Is almost as high as it has ever been in the history of the Nation, even during the period of the war, or a fraction higher. I do not think we have ever had a higher national income, even during the war, than the figure we are using now.

Mr. SALTONSTALL. Mr. President, I would not dispute the Senator from New Jersey in that regard. I have seen the figures in the past, and according to my memory, they do not agree with the Senator's statement; but I am not sure as to that.

Mr. HAWKES. I may be wrong, but I think the Senator will find I am correct.

I wish to say to the distinguished Senator from Massachusetts that he has touched on one matter which seems to me to be vital. If the impression is created in the mind of the American people, that we have agreed to make a definite payment of $3,000,000,000 against the debt, when in reality we have no way in the world of knowing whether we will have the money with which to do it, we are fooling the people, which of course is something which should never be done. I am inclined to like the thought underlying the Senator's amendment, that Congress has an intent to pay off the Nation's debts, that it proposes to fix a minimum and then leave a latitude so that our action can fit in with the conditions which may subsequently exist.

If the Senator will permit me to interrupt him further, I should like to say that in talking this morning with one of the most distinguished citizens of our country, I said "It is fine to pay our debts and I want to pay mine, but let us remember that the only way to pay one's debts is to have profits, and in the case of the Government it is necessary that its citizens have profits from which can be collected tax revenue with which the Government's debts can be paid. I believe these things should be meshed into one another and synchronized so that we may do something for the people in the way of sound tax reduction in order that they may have profits, and that we continue the policy of paying safely against our national debt, not for 2 or 3 years, but year after year, and have some consistency and continuity in our actions."

I asked this gentleman, "What would you think if we paid $3,000,000,000 against the debt this year and $3,000,000,000 next year, and then found we had wrecked the great machine, that we had not put any gasoline into it to keep it running, and could not continue the payments?" What would be the effect if we made two or three payments of substantial sums and then found we could not continue our payments? Let us not overreach ourselves, but keep within the limits which experience tells us we can safely observe.

Mr. SALTONSTALL. I agree with the Senator from New Jersey.

Mr. HAWKES. I thank the Senator.

Mr. FERGUSON subsequently said: Mr. President, I should like to place in the RECORD, following the remarks of the Senator from Massachusetts, certain figures I have previously referred to. I have asked for and obtained from the Bureau of the Budget figures of the national income during the war years to ascertain what the highest national income was during those years. Suggestion was made that the figure might be as high as $200,000,000,000. I have obtained from the Bureau of the Budget the figures of the national income for the years 1932 to 1947, inclusive, as follows:

In 1939 the national income was $70,800,000,000. In 1940 the national income was $77,500,000,000. In 1941 it was $96,800,000,000. In 1942 it was $122,000,000,000. In 1943 it was $149,000,000,000. In 1944 it was $158,000,000,000. In 1945 it was $161,000,000,000. For 1946 the Bureau gave me two figures, $164,000,000,000 or $165,000,000,000. The anticipated amount of national income for 1947 is $166,000,000,000.

I understand that it was indicated earlier today that the national income for next year is anticipated to be $167,000,000,000. So then national income would be higher in 1948 than it has been during any war year.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Ohio [Mr. TAFT] to the amendment of the Senator from California [Mr. KNOWLAND].

Mr. KNOWLAND. Mr. President, we have heard much discussion of the Federal public debt, and whether or not the Congress of the United States has a responsibility, a prime responsibility, toward its retirement.

At the last session of the Senate I recited the fact that our debt had grown from $16,000,000,000, in 1930, to $42,000,000,000, in 1940, and to $259,000,000,000, as it is today, representing a per capita obligation upon every American individual higher than it has ever been before, and an average of about $7,009 for every family in the United States. If we accept the figure of the Senator from Ohio of $1,000,000,000 a year, it would mean that we would be paying on the Federal debt for the next 259 years.

Considering the enormous debt we now have, I believe that we have a moral obligation to make a commitment that would certainly enable us to retire it within one century. The present debt of $259,000,000,000 is 10 times more than it was at the height of World War I. I pointed out at the last session of the Senate, and I now reiterate, that during the decade from 1920 to 1930 we made substantial payments on the Federal public debt in each of the 10 years; and in three of those years, with a debt just one-tenth as much as it is today, we retired more than a billion dollars, in each of 3 years.

If we were to operate now on the debt that we have on the same basis, we would be retiring $10,000,000,000 a year. Obviously we cannot do that.

I recognize that Congress in its judgment may determine that certain tax adjustments should be made. The amendment which I have offered will not prevent such adjustments.

Another thing I wish to call to the attention of the Senate is that this amendment of course must go to conference, as will the concurrent resolution as amended by the so-called Millikin amendment, and I am not so sanguine as to believe that the Senate conferees will necessarily be able to maintain the Senate's position completely, though I hope the conferees will make a very earnest effort to obtain a satisfactory adjustment of the differences.

Mr. MILLIKIN. Mr. President.

Mr. KNOWLAND. I yield to the Senator from Colorado.

Mr. MILLIKIN. I believe that I shall be one of the conferees. Our hands as conferees would be immensely strengthened if we could go into conference with a figure which had the rather unanimous support of the Senate.

There seems to be a rather wide difference, as of the moment, between the figure suggested by the distinguished senior Senator from Ohio and the figure of the distinguished Senator from California. First, I want to compliment the distinguished Senator from California on his insistence that we accept responsibility for getting at the job of reducing the national debt. As to that, I believe there is entire unanimity in the Senate.

During the course of his remarks the senior Senator from Ohio indicated that he might be willing to change his own amendment and to make the figure $2,000,000,000. I wonder whether, in the interest of fixing a figure which almost all of us could support, the distinguished Senator from California would be willing to split the difference between two and three, so that we could go into conference with a figure, as I said before, which would have behind it a large vote and thereby strengthen our position in conference.

Mr. KNOWLAND. I will say to the Senator from Colorado that in the interest of the parliamentary situation which he mentions, I should be willing to accept the figure $2,600,000,000, which would be a 1 percent reduction on the Federal debt, and which would at least provide a goal of being able to retire it in not less than 100 years and permit us to hope that either this year or in future years it may be possible to exceed the figure of not less than $2,600,000,000.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. MILLIKIN. I had of course hoped that the Senator would go a little deeper than that, but he has made a very gracious and generous gesture in the direction of the result toward which I have been trying to lead.

I wonder if the Senator would yield so I may ask a question of the distinguished senior Senator from Ohio?

Mr. KNOWLAND. I yield.

Mr. MILLIKIN. In view of the concession the Senator from California is willing to make, and so that we may get this matter to conference with a good strong vote behind it, I wonder if the Senator from Ohio would cooperate by accepting the modification which the Senator from California is willing to make?

Mr. REVERCOMB. Mr. President, will the Senator from California yield, before the Senator from Ohio answers?

Mr. KNOWLAND. I yield to the Senator from West Virginia.

Mr. REVERCOMB. I appreciate the effort by the able Senator from Colorado to bring about an agreement upon figures. However, I feel that I ought to express my own views upon it, and I hope that the Senator from Ohio will not recede from the figure $1,000,000,000.

Mr. President, I thoroughly admire and commend the view taken by the able Senator from California on the question of reducing the national debt. I want more than $3,000,000,000 paid upon the debt, if possible, and I think it is a great mistake to fix such a sum as we enter upon the course of determining taxes for the coming year.

Mr. KNOWLAND. Mr. President, I do not want to be discourteous to the Senator from West Virginia, and I have yielded to him but I should like to remind him that we are under a 20-minute limitation of debate.

Mr. REVERCOMB. Mr. President, may I ask unanimous consent at this time that the time not be charged to the Senator from California, but that it be charged against me?

Mr. BARKLEY. Mr. President, inasmuch as we are operating under a 20-minute rule, and inasmuch as the Senator from West Virginia can obtain 20 minutes in his own time, I should hesitate to agree that there be an extension of the 20 minutes to any Senator.

Mr. REVERCOMB. I did not ask for an extension; I asked that it be charged against the Senator from West Virginia.

Mr. BARKLEY. It could only be charged against the Senator from West Virginia in the event he took the floor in his own right and subtracted from the 20 minutes whatever time he occupies now.

The PRESIDENT pro tempore. The Senator from California has 4 minutes remaining.

Mr. REVERCOMB. Was there objection to my request?

Mr. BARKLEY. I suggest to the Senator from West Virginia that he take the matter up in his own time.

The PRESIDENT pro tempore. Does the Senator from California yield, and if so, to whom?

Mr. KNOWLAND. I will yield to the Senator from Ohio to answer the question asked by the Senator from Colorado.

Mr. TAFT. Mr. President, in the first place, the Senator from California suggests 1 percent of the national debt. As a permanent sinking fund, that might be all right. My question is whether it would be wise to do it this year. Furthermore, the ordinary sinking fund of 1 percent will retire the bonds in 50, not 100 years, because the interest is reduced and applied on the sinking fund.

However, while I should rather there would be no binding provision, I am willing to agree to the figure $2,600,000,000, which leaves, I calculate, $3,500,000,000 of unallocated funds that might be applied to tax reduction, if the Senate so desires. So that I am willing, I think, Mr. President, in the interest of accomplishing the purpose suggested, if the chairman of the Finance Committee desires me to do so, to withdraw my amendment, if the Senator from California will modify his amendment first.

Mr. KNOWLAND. Mr. President, I ask that my amendment be modified to read "$2,600,000,000." As the author of the amendment, I believe I have the right to have the amendment modified.

The PRESIDENT pro tempore. The Senator has the right to modify his amendment, inasmuch as the yeas and nays have not been ordered. The Chair understands that the amendment submitted by the Senator from California is amended to read——

Mr. KNOWLAND. "Not less than $2,600,000,000."

Mr. TAFT. Mr. President, I ask unanimous consent to withdraw the amendment which I offered.

The PRESIDENT pro tempore. Is there objection?

Mr. SALTONSTALL. Mr. President, most respectfully, I object.

Mr. ROBERTSON of Virginia. Mr. President, will the Senator from California yield for a question?

Mr. KNOWLAND. I should like to extend the courtesy to the Senator, but my time is limited. I probably do not have more than 3 minutes left, and I should like to complete my remarks if possible.

Mr. President, I believe it is essential to establish a definite basis for the debt reduction, because the country cannot afford either to get into another major depression or to become involved in another war, with a debt standing at $259,000,000,000, or anywhere near it. As a member of the Republican Party, and as a Member of the Senate, I recognize no obligation to support any fixed formula for tax reduction of 20 percent across the board, as has been suggested by some Members of the other House, or of a flat 20-percent figure. I hope that the Congress, in its wisdom, may find it possible to make some tax adjustments.

The able Senator from Ohio has presented some figures to show the tremendous tax burden upon the American people. We all recognize that the burden is heavy and we all want to see it lightened; but I point out to the Senator

from Ohio and to the other Members of the Senate that it may be possible to lighten the load upon those in the average-income brackets by increasing the exemptions under the revenue laws, by giving more credit to those who have children, and who are trying to educate their children in schools and colleges. We can furnish a great deal of relief to the taxpayers of the country with that type of adjustment. I certainly have not closed my mind to any particular type of tax adjustment if the Congress of the United States in its wisdom feels that such an adjustment would be wise, but I say to the Senate that such a reduction should not, in my opinion, have priority over the task we must perform of reducing the huge Federal public debt, which, in my opinion, threatens the very solvency of the Government of the United States.

We have discussed the matter of the national income. The Senator from New Jersey [Mr. HAWKES] has pointed out, as has also the Senator from Massachusetts [Mr. SALTONSTALL], that the national income is now almost at its high point in American history, and I ask, If we are not to begin reducing the vast Federal public debt now when the national income is high, then when, in heaven's name, will we start reducing it?

I pointed out last Friday that during the 150 years we have been in existence as a nation under the Constitution in approximately 90 years the Government has had an excess of receipts over expenditures, while in about 62 years its operations have resulted in a deficiency. Obviously we cannot reduce the Federal public debt when we are operating under a deficiency, because at such a time the Federal public debt is being increased.

Finally, Mr. President, I point out to the Senate that the present huge Federal public debt is definitely an inflationary factor. The Senator from Ohio complains that my proposal may have a deflationary tendency. I point out to the Senate that today wholesale prices are at their peak, and certain other inflationary signs confront our Nation. We have seen what has happened to the currency of China and of Greece and of most of the countries of Europe, and it is certainly advisable that we start to consider and ponder the whole situation which threatens the American people.

Therefore, Mr. President, I hope that the amendment offered by the Senator from Ohio which provides for the application of only $1,000,000,000 toward payment on the public debt will be rejected, and that at least not less than $3,000,000,000 will be applied to reduction of the Federal public debt.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Ohio [Mr. TAFT] to the amendment offered by the Senator from California [Mr. KNOWLAND], as modified.

Mr. TAFT. Mr. President, I again ask unanimous consent to withdraw the amendment, in spite of the fact that the yeas and nays have been ordered.

The PRESIDENT pro tempore. Is there objection?

Mr. LUCAS. I object.

The PRESIDENT pro tempore. Objection is heard.

Mr. REVERCOMB. Mr. President, again I wish to express my admiration and commendation of the general view for substantial payment on the national debt and continuous reduction of it. However, it seems to me that there is nothing really worth while to be gained in saying that at least a certain amount must be paid annually, or this year, upon the debt. It is my hope that even an amount in excess of $3,000,000,000 may be paid. It appears to me that the first consideration the Congress faces today with respect to dealing with the income of the Government and its use is the reduction of taxes for the current year and the years to come. We have been given a figure representing the estimated income for this year. It is but an estimate, and if we start at any figure, whether it be $3,000,000,000 or $1,000,000,000, we are at once placing a limitation upon possible tax cuts.

It is unnecessary to fix a minimum amount that must be paid upon the debt when certainly it will be the purpose of any administration that may be in office, as certainly it will be the purpose of the Congress, to see that the great national debt is paid. But of the important question which confronts the Congress with respect to its fiscal affairs of the year, the first, it seems to me, is the fixing of a tax cut to apply to the American people, not only for their immediate relief but in order that they may be ready to face any situation which may confront them in the future.

I was very glad indeed to hear the able Senator from California say that he wanted a tax reduction, and that, in particular, he wanted a tax reduction by way of increasing personal exemptions so that those of lesser incomes and those with large families to support might receive the first benefit of the reduction. I heartily subscribe to that view. But when we come to the question of fixing taxes for the year it seems to me that if we try to fix a minimum amount to apply upon our indebtedness we are at that time putting a wall around the efforts of those who want to reduce the tax burden on the people of the country.

I think that first things should come first, and that no minimum limitation whatsoever should be placed upon the amounts to be paid and if such a limitation is to be placed it should be the lowest figure we can agree upon; and then in fact pay the greatest amount we can regardless of any limitation adopted. No one is more desirous than I that reductions in debt be made quickly. But I feel that such reduction is a secondary question. For my part I would rather the Congress not provide a minimum sum to be paid. I shall therefore support a smaller amount as the lesser of two evils.

In view of the very first question before us, that of a proper adjustment of the taxes of the country, and in view of the fact that we can only surmise and estimate what the income will be, I feel that no amount ought to be fixed as the least amount that we should pay on the public debt. If an amount is to be fixed I hope it will be the least amount, and that the result will be a payment on the debt far in excess of any speculative sum that we may fix.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT] to the amendment of the Senator from California [Mr. KNOWLAND] as modified. The yeas and nays have been ordered.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Myers
Baldwin	Hayden	O'Conor
Ball	Hickenlooper	O'Daniel
Barkley	Hill	O'Mahoney
Brewster	Hoey	Overton
Bricker	Holland	Reed
Bridges	Ives	Revercomb
Brooks	Jenner	Robertson, Va.
Buck	Johnson, Colo.	Russell
Butler	Johnston, S. C.	Saltonstall
Cain	Kem	Smith
Capehart	Kilgore	Stewart
Capper	Knowland	Taft
Connally	Langer	Taylor
Cooper	Lodge	Thomas, Okla.
Cordon	Lucas	Thomas, Utah
Donnell	McCarran	Thye
Downey	McCarthy	Tobey
Dworshak	McClellan	Tydings
Eastland	McGrath	Umstead
Ecton	McKellar	Vandenberg
Ellender	Magnuson	Watkins
Ferguson	Malone	Wherry
Flanders	Martin	White
Fulbright	Maybank	Wiley
George	Millikin	Williams
Green	Moore	Wilson
Gurney	Morse	
Hatch	Murray	

The PRESIDENT pro tempore. Eighty-five Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT] to the modified amendment of the Senator from California [Mr. KNOWLAND].

Mr. TAFT. Mr. President——

The PRESIDENT pro tempore. The Senator has spoken on the amendment.

Mr. TAFT. I will take time on the concurrent resolution.

The PRESIDENT pro tempore. The Senator from Ohio is recognized on the concurrent resolution.

Mr. TAFT. Mr. President, I have agreed with the Senator from California that I will accept his amendment with the figure $2,600,000,000. Therefore I ask unanimous consent to withdraw my amendment. If consent is not given, I shall ask the Senate to vote against it, and I, myself, shall vote against it.

As I take it, the reduction we now have available under the terms of the concurrent resolution is $6,100,000,000. If the figure stated in the amendment of the Senator from California is reduced to $2,600,000,000, it will leave $3,500,000,000, which I, at least, intend to advocate shall be applied to the reduction of taxes, representing an over-all 20-percent reduction in the personal income tax. I believe that the reduction in that tax should be substantial. Although I should prefer not to go as high as the figure in the Knowland amendment, I feel that it represents an allocation of the surplus in the manner in which I believe it should be finally allocated. Therefore I ask

unanimous consent to withdraw my amendment.

The PRESIDENT pro tempore. The Senator from Ohio asks unanimous consent to withdraw his amendment to the amendment of the Senator from California [Mr. KNOWLAND]. Is there objection?

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LUCAS. Is there any limit on the number of times a Senator may make request to withdraw an amendment?

The PRESIDENT pro tempore. The Chair thinks not.

Mr. LUCAS. I shall not object to the request.

The PRESIDENT pro tempore. The amendment of the Senator from Ohio [Mr. TAFT] to the amendment of the Senator from California [Mr. KNOWLAND] is withdrawn. The order for the yeas and nays also is rescinded by unanimous consent. The question is now upon the amendment submitted by the Senator from California as modified.

Mr. KNOWLAND. Mr. President, I ask for the yeas and nays.

The PRESIDENT pro tempore. Is the demand for the yeas and nays seconded?

Mr. GREEN. Mr. President, I desire to offer a substitute for the amendment offered by my good friend and colleague the Senator from California [Mr. KNOWLAND]. I should like to have the clerk state the amendment.

The CHIEF CLERK. At the end of the concurrent resolution it is proposed to insert the following new sentence:

It is further declared to be the judgment of the Congress that any excess of revenues over expenditures be applied toward reduction of the public debt.

The PRESIDENT pro tempore. Is the Senator from Rhode Island offering his proposal as a substitute for the modified amendment offered by the Senator from California?

Mr. GREEN. I am.

Mr. President, in the first place, let it be clearly understood that my substitute for the amendment to Senate Concurrent Resolution 7 proposed by the Senator from California in no way indicates any opposition to his attempt to aid in the reduction of the Federal debt. In fact, he and I are in substantial agreement as to the primary necessity of reducing the debt if there is any excess of receipts over expenditures. As a matter of fact, at the meeting of the Joint Committee on the Legislative Budget, of which we are both members, the Senator offered a resolution similar to that which he has now offered, and I offered an amendment similar to that which I now offer. They both came very near being adopted. I am glad to say that mine, on a voice vote, came within one vote of being adopted, and within eight votes when there was a division on the ayes and noes. The only difference is that the Senator from California believes that as a matter of policy the amount recommended should be limited to not less than $3,000,000,000, while I believe there should be no limitation. In other words, his amendment is a restriction on the authority which the Secretary of the Treasury now has, while my substitute continues the existing authority and recommends its exercise.

The existing law, which seems to have been ignored in most of the debate, reads as follows:

Purchase or redemption of bonds: The Secretary of the Treasury may at any time apply the surplus money in the Treasury not otherwise appropriated, or so much thereof as he may consider proper, to the purchase or redemption of the United States bonds: *Provided*, That the bonds so purchased or redeemed shall constitute no part of the sinking fund, but shall be canceled.

What I have read may be found in section 741 of title 31 of the United States Code. This section, known as the bond-purchase clause was a part of the sundry civil appropriation act for the fiscal year 1882. In other words, it has been on the Federal statute books for 65 years. This unlimited power of the Secretary of the Treasury in his discretion to apply to the reduction of the national debt surplus money not otherwise appropriated has not only been on the statute books for 65 years, but from time to time it has been exercised and the debt thereby reduced. This has been notably the case during the past year. In every month of the past year the Secretary of the Treasury has exercised this power and paid off marketable securities. From March 1, 1946, through February 1, 1947, the reductions amounted to over $24,446,000,000. However, the last figure is offset somewhat by increase in the public debt of other issues, such as savings bonds, special issues to trust funds, and so forth. One year ago today the direct public debt outstanding amounted to $279,214,000,000. I have not, of course, the figure for today, but one week ago, February 21, 1947, the public debt was $259,236,000,000, a reduction of approximately $20,000,000,000.

I ask leave to have printed at the end of my remarks a table showing by dates, March 1 and March 15, and so forth, the amounts by which the debt was reduced.

The PRESIDENT pro tempore. Without objection, the order is made.

(See exhibit A.)

Mr. GREEN. Mr. President, both of our proposals recommended action by the Secretary of the Treasury which, under existing law, is only permissive. If the amendment proposed by my good friend and colleague from California had been in effect, only $3,000,000,000 of that $20,000,000,000 would have been paid off. If my substitute, however, had been in effect the entire $20,000,000,000 would have been paid off.

It seems to me unwise to mention a limit of three billion dollars in connection with this power of the Secretary of the Treasury which has been his for the last 65 years. It is especially undesirable at this time when the public debt is so enormous. Its reduction is most desirable to make firmer the credit of our government, and to stabilize the value of the Government bonds in the hands of our fellow citizens and to encourage reduction in the expenses of government.

In discussing this matter with Members of Congress and with private citizens I have met with no effective criticism. However, it is urged that favorable action on my proposal would amount to a recommendation that the taxes be not reduced. My proposal has nothing to do with taxes and nothing to do with receipts. It leaves those matters to be settled separately. The present law has nothing to do with taxes or with receipts. Attention is directed simply to any surplus of receipts over expenditures. It remains with Congress as before to determine both receipts and expenditures. But critics say it will be difficult to make the people generally understand this. They say to me, "Senator, you may be right; we believe you are right; but we do not want to vote in such a way that we will be misunderstood as opposing either reduction in expenditures or reduction in taxes."

I have greater confidence in the common sense and understanding of the masses of our fellow citizens than have these critics. I believe that the people can be brought to understand exactly what this proposal means. At any rate I believe it is my duty to analyze a situation such as this and to act for what I believe to be the best interests of the people who sent me to the Senate and of the people generally throughout the great American Republic.

I certainly believe it is desirable not to take away, even morally, the power of the Secretary of the Treasury to apply the surplus of receipts over expenditures to the reduction of the Federal debt, but to recommend to him that he exercise it fully.

Mr. President, I shall vote for the substitute amendment. I offer it, and I hope it will be adopted, without regard to any misconstructions which may be placed upon it or any misunderstandings of its effect.

EXHIBIT A

Retirements of marketable securities beginning with Mar. 1, 1946

	Amount paid off
Mar. 1, 1946	$1,014,000,000
Mar. 15	1,291,000,000
Mar. 15	439,000,000
Apr. 1	1,991,000,000
May 1	1,579,000,000
June 1	2,025,000,000
June 15	819,000,000
June 15	1,036,000,000
July 1	1,994,000,000
Aug. 1	1,246,000,000
Sept. 1	1,995,000,000
Oct. 1	2,000,000,000
Nov. 1	2,003,000,000
Dec. 1	487,000,000
Dec. 15	3,261,000,000
Jan. 1, 1947	13,000,000
Jan. 1	196,000,000
Feb. 1	1,007,000,000
Total	24,446,000,000

The above figure is offset somewhat by increase in the public debt by other issues, such as savings bonds, special issues to trust funds, etc.

On February 28, 1946, direct public debt oustanding—$279,214,000,000. On February 21, 1947, public debt was $259,236,000,000—a reduction of approximately $20,000,000,000 compared with February a year ago.

The PRESIDENT pro tempore. The question is on agreeing to the amendment in the nature of a substitute offered by

the Senator from Rhode Island [Mr. GREEN] to the modified amendment of the Senator from California [Mr. KNOWLAND].

Mr. MILLIKIN. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. REVERCOMB. Mr. President, I wish to address a question to the able Senator from Rhode Island regarding his amendment. If his amendment were adopted, would it mean that there would not be any tax reduction this year?

Mr. GREEN. It has nothing to do with tax reduction. The Congress would be just as free to make tax reductions wherever it chose to do so, and would be just as free to make appropriations. The amendment simply is a recommendation to the Secretary of the Treasury that if there is any excess of receipts over expenditures, he shall apply such excess to reduce the Federal debt. That is all the amendment provides.

Mr. REVERCOMB. Of course, that would include any deficiency appropriations which may be made between now and the end of the year; would it not?

Mr. GREEN. Certainly.

The PRESIDENT pro tempore. The question is on agreeing to the amendment, in the nature of a substitute, offered by the Senator from Rhode Island [Mr. GREEN] to the modified amendment of the Senator from California [Mr. KNOWLAND]. On this question the yeas and nays have been demanded and ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REED (when his name was called). I have a general pair with the senior Senator from New York [Mr. WAGNER]. On this vote, I transfer that pair to the senior Senator from Virginia [Mr. BYRD], who, if present, would vote as I intend to vote. I am, therefore, at liberty to vote, and I vote "nay." If the Senator from Virginia were present, he would vote "nay." If the Senator from New York were present, he would vote "yea."

The roll call was concluded.

Mr. WHERRY. I announce that the Senator from New Jersey [Mr. SMITH] is absent because of illness. If present and voting he would vote "nay."

The Senator from South Dakota [Mr. BUSHFIELD] and the Senator from Delaware [Mr. WILLIAMS] are necessarily absent. If present and voting, both Senators would vote "nay."

The Senator from Wyoming [Mr. ROBERTSON] is necessarily absent on state business, and the Senator from North Dakota [Mr. YOUNG] is absent by leave of the Senate on state business.

Mr. LUCAS. I announce that the Senator from Connecticut [Mr. MCMAHON], the Senator from Florida [Mr. PEPPER], and the Senator from Alabama [Mr. SPARKMAN] are absent on public business. If present, all of them would vote "yea" on this question.

The Senator from Virginia [Mr. BYRD] and the Senator from Arizona [Mr. MCFARLAND] are absent on official business.

The Senator from New Mexico [Mr. CHAVEZ] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The result was announced—yeas 33, nays 49, as follows:

YEAS—33

Aiken	Johnston, S. C.	Myers
Barkley	Kilgore	O'Mahoney
Connally	Langer	Overton
Eastland	Lucas	Robertson, Va.
Ellender	McCarran	Russell
Fulbright	McClellan	Stewart
Green	McGrath	Taylor
Hatch	Magnuson	Thomas, Okla.
Hayden	Maybank	Thomas, Utah
Hill	Morse	Tobey
Johnson, Colo.	Murray	Wilson

NAYS—49

Baldwin	Flanders	Moore
Ball	George	O'Conor
Brewster	Gurney	O'Daniel
Bricker	Hawkes	Reed
Bridges	Hickenlooper	Revercomb
Brooks	Hoey	Saltonstall
Buck	Holland	Taft
Butler	Ives	Thye
Cain	Jenner	Tydings
Capehart	Kem	Umstead
Capper	Knowland	Vandenberg
Cooper	Lodge	Watkins
Cordon	McCarthy	Wherry
Donnell	McKellar	White
Dworshak	Malone	Wiley
Ecton	Martin	
Ferguson	Millikin	

NOT VOTING—13

Bushfield	McMahon	Wagner
Byrd	Pepper	Williams
Chavez	Robertson, Wyo.	Young
Downey	Smith	
McFarland	Sparkman	

So Mr. GREEN's amendment in the nature of a substitute for Mr. KNOWLAND's amendment, as modified, was rejected.

The PRESIDENT pro tempore. The question recurs on the perfected amendment submitted by the Senator from California [Mr. KNOWLAND]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REED (when his name was called). I have a general pair with the Senator from New York [Mr. WAGNER]. I am informed that on this vote he would vote as I am about to vote. Therefore I am at liberty to vote. I vote "yea."

Mr. LANGER (when Mr. YOUNG's name was called). My colleague, the junior Senator from North Dakota [Mr. YOUNG] is absent by leave of the Senate on state business. I am authorized to state that if present and voting, he would vote "yea."

The roll call was concluded.

Mr. WHERRY. I announce that the Senator from Indiana [Mr. CAPEHART] is necessarily absent. If present, he would vote "yea."

The Senator from New Jersey [Mr. SMITH] is absent because of illness. If present he would vote "yea."

The Senator from Delaware [Mr. WILLIAMS] is necessarily absent. If present he would vote "yea."

The Senator from South Dakota [Mr. BUSHFIELD] is necessarily absent. If present he would vote "yea."

The Senator from Wyoming [Mr. ROBERTSON] is necessarily absent on state business. If present he would vote "yea."

Mr. HATCH. Repeating the announcement I have heretofore made relative to the absence of my colleague, the junior Senator from New Mexico [Mr. CHAVEZ], I announce, with his authority, that if present and voting, he would vote "yea" on the pending amendment.

Mr. LUCAS. The Senator from Virginia [Mr. BYRD] and the Senator from Arizona [Mr. MCFARLAND] are absent on official business.

The Senator from Connecticut [Mr. MCMAHON], the Senator from Florida [Mr. PEPPER], and the Senator from Alabama [Mr. SPARKMAN] are absent on public business.

The Senator from New York [Mr. WAGNER] is necessarily absent.

If present and voting, the Senator from Virginia, the Senator from Connecticut, the Senator from Florida, and the Senator from Alabama would vote "yea."

The result was announced—yeas 82, nays none, as follows:

YEAS—82

Aiken	Hawkes	Murray
Baldwin	Hayden	Myers
Ball	Hickenlooper	O'Conor
Barkley	Hill	O'Daniel
Brewster	Hoey	O'Mahoney
Bricker	Holland	Overton
Bridges	Ives	Reed
Brooks	Jenner	Revercomb
Buck	Johnson, Colo.	Robertson, Va.
Butler	Johnston, S. C.	Russell
Cain	Kem	Saltonstall
Capper	Kilgore	Stewart
Connally	Knowland	Taft
Cooper	Langer	Taylor
Cordon	Lodge	Thomas, Okla.
Donnell	Lucas	Thomas, Utah
Downey	McCarran	Thye
Dworshak	McCarthy	Tobey
Eastland	McClellan	Tydings
Ecton	McGrath	Umstead
Ellender	McKellar	Vandenberg
Ferguson	Magnuson	Watkins
Flanders	Malone	Wherry
Fulbright	Martin	White
George	Maybank	Wiley
Green	Millikin	Wilson
Gurney	Moore	
Hatch	Morse	

NAYS—0

NOT VOTING—13

Bushfield	McMahon	Wagner
Byrd	Pepper	Williams
Capehart	Robertson, Wyo.	Young
Chavez	Smith	
McFarland	Sparkman	

So Mr. KNOWLAND's amendment, as modified, was agreed to.

The PRESIDENT pro tempore. If there be no further amendment to be offered, the question is on the concurrent resolution as amended.

Mr. WHERRY. Mr. President, I send an amendment to the desk and ask to have it read.

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. At the end of the concurrent resolution it is proposed to add a new sentence, as follows:

It is further declared to be the judgment of the Congress that all proceeds from the transfer or disposition of property under the Surplus Property Act of 1944, as amended, which are covered into the Treasury as miscellaneous receipts should be applied to the reduction of the public debt.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Nebraska.

Mr. WHERRY. Mr. President——

The PRESIDENT pro tempore. The Senator from Nebraska is recognized for 20 minutes.

Mr. WHERRY. Mr. President, this amendment in no way conflicts with the

amendment just adopted by the Senate. The Senate has already adopted an amendment to the resolution providing that in the ensuing fiscal year $2,600,000,000 shall be paid on the national debt. For the information of the Senators, let me say that if they will turn to page A–18 of the budget, they will find that the amount of money covered into the Treasury from the sale of surplus property for the fiscal year 1946 was $549,000,000, a little less than one-fourth of the amount which the Senate has just voted should be paid upon the debt this year. But this amendment provides that in the ensuing years, ending 1947 and 1948, the money received from the sale of surplus property shall be paid on the debt.

Again, for the information of Senators, if they will turn to page A–18, they will find that the budget reveals that for the fiscal year 1947 the estimate of receipts from surplus property is approximately $1,960,000,000, and, for the fiscal year ending 1948, it is $1,009,000,000; so that in neither case do the expected receipts exceed the sum involved in action already taken by the Senate today, to pay at least $2,600,000,000 on the debt this year. The amendment merely declares it to be the judgment of the Senate that the proceeds from the sale of surplus property, regardless of whether or not there is a cushion left in the budget, shall be applied on the national debt.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. WHERRY. I am glad to yield.

Mr. TYDINGS. May I ask the Senator if it is the intention of his amendment that the proceeds from the sales of surplus war property, which it is contemplated are to be applied to the national debt shall be in addition to the $2,600,000,000 or a part of the $2,600,000,000?

Mr. WHERRY. Mr. President, perhaps I failed to make that plain. If my amendment should be adopted, at least the money derived from the sale of the surplus property would be applied to the debt, regardless of the cushion that might be left.

Mr. BARKLEY. Mr. President, may I ask the Senator a question?

Mr. WHERRY. Yes.

Mr. BARKLEY. Is it the purpose of the Senator's amendment to apply all receipts from the sale of surplus property to the debt, or only such receipts as are covered into the Treasury during the fiscal year 1948?

Mr. WHERRY. It is my intention, I will say to the distinguished Senator from Kentucky, to apply what may be covered into the Treasury as budget receipts; in other words, the net amount of the proceeds from the sale of surplus property, after deduction of selling expense, which totals the figure I gave.

Mr. BARKLEY. I know; but that covers a period of years?

Mr. WHERRY. That is correct.

Mr. BARKLEY. The way the Senator's amendment is drafted, it would not be limited to sales during the fiscal year 1948, which is the period covered by the amendment.

Mr. WHERRY. If there is any doubt about that, let me say to the distinguished Senator that I do not want to limit it to years; I want to limit it only by the total amount of whatever is covered into the Treasury, or in special accounts, as the net sales from surplus property.

Mr. BARKLEY. Regardless of the year?

Mr. WHERRY. Yes.

Mr. BARKLEY. Then the Senator's amendment does what I understood a moment ago from what he said he meant it to do in that it is limited to the current year 1948.

Mr. WHERRY. On, no.

Mr. BARKLEY. It does not do that.

Mr. WHERRY. I appreciate the Senator's calling the attention of the Senate to that point. My intention is to apply to the debt all the receipts derived from net sales of surplus property regardless of the year in which the receipts come. I merel, gave the estimates of the budget to enable Senators to realize the amount that was expected to accrue.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. TAFT. I understand that if the resolution should be amended as the Senator wishes, then all receipts from the sales of surplus property during this fiscal year would be applied on the debt.

Mr. WHERRY. That is correct.

Mr. TAFT. And then such additional amount as would bring the total payment on the debt to $2,600,000,000 would also be applied?

Mr. WHERRY. That is absolutely correct.

Mr. TAFT. That is the intention of the Senator from Nebraska, is it not?

Mr. WHERRY. It is.

Mr. TAFT. In addition to that, it declares it to be the policy that the proceeds from sales of surplus property in the fiscal years 1949 and 1950, if there are proceeds then, shall be applied on the debt in those years?

Mr. WHERRY. That is all.

Mr. TAFT. That is the total effect of the Senator's amendment?

Mr. WHERRY. It goes a little further than that. It constitutes a commitment based upon our judgment that at least the amount derived from the sale of surplus property shall be applied on the war debt, in the event no cushion is left under the action the Senate has just taken.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. WHERRY. I am glad to yield.

Mr. HAWKES. From what the Senator has said I draw the conclusion that he considers everything falling in the designation "war assets to be disposed of" was in part responsible for creating the national debt?

Mr. WHERRY. That is correct.

Mr. HAWKES. Therefore, the Senator wants to make certain that when a sale is made of these assets and surplus property that came from the war and helped to create the national debt, then the proceeds shall be applied to reducing the debt and used for no other purpose?

Mr. WHERRY. That is correct.

Mr. HAWKES. And the Senator's amendment does not in any way increase the total debt payment of $2,600,000,000?

Mr. WHERRY. No.

Mr. HAWKES. The Senator wants to make it certain that the money derived from surplus property sales, when received, is not diverted to other uses?

Mr. WHERRY. That is absolutely correct. The Senator has stated it better than I could have. It is not my purpose to interfere in any way with the payment of $2,600,000,000 on the debt this year, but, after hearing all the debate, I am apprehensive whether or not there will be sufficient to apply on the debt and also to do what everybody expects to be done under the budget. I am for a balanced budget, but I feel, regardless of whether or not there is left a cushion in sufficient amount to apply $2,600,000,000 on the debt, that, as it has done once in the past, Congress should at least go on record once again, by adopting my amendment, as favoring the idea that money derived from the sale of surplus property shall be applied upon the national debt and be accounted for in that way.

I hope there will be a cushion, and if the figures concerning it are correct, as the debate would seem to indicate, then the money derived from the sale of so-called war assets will be only a part of the $2,600,000,000; in no way will there be a conflict with the amendment offered by the Senator from California, which has been agreed to.

Mr. FERGUSON. Mr. President——

Mr. WHERRY. I am glad to yield to the Senator from Michigan.

Mr. FERGUSON. The question I desire to ask is this: Under the present procedure, the War Assets Administration turns into the Treasury a part of its receipts only; part is turned into the RFC and various other agencies.

Mr. WHERRY. That is correct.

Mr. FERGUSON. Would this in any way compel the War Assets Administration to turn their receipts into the Treasury, or would it compel the other agencies, when they receive the money, to turn it into the Treasury to be applied on the debt, or could they use it in any way they saw fit?

Mr. WHERRY. Mr. President, the Surplus Property Act provides that 20 percent of the money received shall be returned to the disposal agencies. It is not my purpose to interfere with that. All I am asking is that the net amount that is recovered and deposited either in a special fund or in the United States Treasury, after the selling expense has been deducted, and after the 20 percent is paid back to the disposal agencies, as is already provided by the Surplus Property Act, shall be applied upon the debt. The net amount is estimated in the Budget to be the figure I gave. If the Government can recover any more money than the amount estimated, of course it should endeavor to do so.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. LUCAS. Will the Senator repeat the amount that was realized in 1946 from the sale of surplus property?

Mr. WHERRY. In the fiscal year ending 1946 the amount, as shown on page A–18 of the budget report, was $549,000,000. The amount expected to be recovered for the next year, 1947, from the disposition of surplus property, is $1,960,000,000. And for the fiscal year ending 1948 it is estimated to be about $1,009,000,000.

Mr. LUCAS. If the $1,960,000,000 estimate should prove to be correct and that amount should be saved, it would be deducted, as I understand, from the $2,600,000,000.

Mr. WHERRY. I should like to correct the Senator. The amendment offered by the Senator from California would apply only to the present fiscal year. The figure $1,960,000,000 referred to by the Senator from Illinois is the estimate of surplus property recoveries for the year 1947, with respect to which the Congress has taken no action.

Mr. LUCAS. In other words, the $549,000,000 the Senator has mentioned was actually recovered in the fiscal year 1946.

Mr. WHERRY. Yes.

Mr. LUCAS. So if the Senate should adopt the amendment offered by the Senator from Nebraska, the $2,600,000,000 figure would really be cut to approximately $2,000,000,000?

Mr. WHERRY. I think the Senator from Illinois misunderstood me. The $549,000,000 covered by my amendment would become a part of the $2,600,000,000 provided for in the amendment of the Senator from California. All I am asking is that at least the amount of $549,000,000 realized from the sale of surplus property be paid upon the national debt. The amount above $549,000,000, running up to $2,600,000,000, would be the difference that would be applied on the debt this year. The reason I am offering the amendment, I will say to the distinguished Senator from Illinois, is that if the cushion fails and no other money is left to apply on the national debt, I still want $549,000,000, the amount of money recovered from the sale of surplus property, to be applied on the national debt.

Mr. LUCAS. Then, under any circumstances, by the amendment offered by the Senator from Nebraska, $549,000,000 would be applied on the debt?

Mr. WHERRY. Yes.

Mr. LUCAS. Under the Knowland amendment, the amount applied on the national debt could not be more than $2,600,000,000?

Mr. WHERRY. Yes.

Mr. LUCAS. That would include the $549,000,000 provided by the Senator's amendment?

Mr. WHERRY. Yes.

Mr. LUCAS. So, in reality, adoption of the Wherry amendment would mean cutting the Knowland amendment figure down to about $2,000,000,000?

Mr. WHERRY. No. If the Senator will study the budget figures, he will see that the amount received from the sale of surplus property is considered and becomes a part of the current budget. The Senate has adopted an amendment providing a payment of $2,600,000,000 on the debt. That amount is all that will be paid in this fiscal year, because that will include the $549,000,000 I am talking about. What we are doing in acting on the resolution is simply expressing a judgment. I think the distinguished Senator from Maryland [Mr. TYDINGS] called the proposal a New Year's resolution. If we do not cut the debt by $2,600,000,000, then it is the judgment of the Senate, if my amendment is adopted, that $549,000,000 should be paid on the national debt, regardless of what may happen with respect to the $2,600,000,000 already earmarked for payment on the debt. I think that is plain. But I think it goes further than that. It also is the judgment of the Senate that the same thing should be done in the years 1947 and 1948.

Mr. STEWART. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. STEWART. I am relying on memory only, but is it not true that there is already a law on the statute books providing that the proceeds from the sale of surplus property shall be applied on the national debt? I recall that such a law has already been passed.

Mr. WHERRY. Yes.

Mr. STEWART. I think that is what the Senator's amendment covers.

Mr. WHERRY. Yes.

Mr. STEWART. Then does not the fact that such a law is on the statute books render the Senator's amendment unnecessary?

Mr. WHERRY. No. If the Senator will reflect, an amendment similar to mine was once heretofore adopted by the Senate by a voice vote. There was no opposition to it in the preceding Congress.

Mr. STEWART. The law the Senator from Nebraska has in mind was enacted shortly before Congress adjourned.

Mr. WHERRY. A provision similar to that contained in my amendment was also adopted by the House. It went to conference and the conferees deleted it. I am coming to that point if I may be permitted to conclude my remarks.

Mr. TAFT. Mr. President, a point of order.

The PRESIDENT pro tempore. The Senator will state it.

Mr. TAFT. The amendment of the Senator from Nebraska is not in order under section 138 of the Reorganization Act, the so-called La Follette-Monroney Act, which is now a rule of the Senate. That act provides:

> (b) The report shall be accompanied by a concurrent resolution adopting such budget, and fixing the maximum amount to be appropriated for expenditure in such year.

The whole nature of the concurrent resolution is one relating solely to the present fiscal year, and it seems to me that it is not in order to include in it a general declaration of legislative policy or general legislation dealing with the disposition of the proceeds of surplus property in future years.

Mr. WHERRY. Mr. President, I thought such a point of order would probably be made. It is my opinion that my amendment is germane. It deals with a part of the appropriations to be made this year. The amount in question would be treated as governmental receipts. The concurrent resolution points to the present fiscal year. But certainly Congress is not foreclosed in the same concurrent resolution from adopting a policy relating to two succeeding years. Such a policy represents only the judgment of the Congress.

The PRESIDENT pro tempore. It is the opinion of the Chair that the language in the La Follette-Monroney Act, while directing certain affirmative action, does not preclude any further action which the Senate may in its wisdom care to take. Therefore, in the Chair's judgment, the amendment of the Senator from Nebraska is in order.

Mr. WHERRY. Mr. President, as I stated a moment ago during a colloquy with the distinguished Senator from Tennessee [Mr. STEWART], my amendment or an amendment similar thereto was, in the preceding Congress, adopted by the Senate, as well as by the House by a nearly unanimous voice vote, but as I stated, it was deleted by the conferees. The conferees brought back a report which did not contain the amendment and the report was adopted because at that time Mr. Bell, in whom we all have confidence, who was then Acting Secretary of the Treasury, was opposed to it until the budget had been balanced. I think some Senators will remember the meeting we had with him at which we discussed that subject. Mr. Bell stated:

> Giving that provision its most extravagant application, then during the present period of deficit financing it would have to be fulfilled by the futile mechanical measure of applying the special fund to retire a given amount of outstanding public debt while simultaneously offering additional public-debt obligations to recoup the same funds in order to meet Government expenditures required by congressional appropriations not covered by the proceeds of revenue measures enacted by Congress.

That was Mr. Bell's explanation, and that was all the explanation he gave. In spite of the action taken by the Senate as well as by the House in adopting the amendment, the conferees rejected it, and both Houses adopted the conference report without the amendment in it. The reasons advanced by the conferees as well as the administration for not including the amendment in the Seventy-ninth Congress have now been eliminated.

We are now to have a balanced budget. There are Members of the Senate asking for debt reduction. The Senate a few moments ago adopted an amendment by which $2,600,000,000 is to be applied to reducing the national debt. So we should at least apply to the national debt the nominal amount of money recaptured from the sale of surplus property, as provided by my amendment for the present year, and for the fiscal year 1947 $1,950,000,000, and for the fiscal year 1948 $1,009,000,000. We should do this for the reasons set forth in the Baruch-Hancock report on this very subject. Let me read from that report:

> All of the war surpluses will have been paid for by the American public either through

war taxes or the increase in the national debt. Therefore, the proceeds of all sales should go to reduce the debt; lowering the postwar carrying charges will have to be met through taxation. Certainly no agency should be permitted to sell surpluses and use the proceeds for other purposes.

The fact that surplus sales will lower the debt dramatizes an important point which some business groups are inclined to forget. The net result of an effective disposal program will aid all business, which is an important consideration to be balanced against the possible short-term effects of individual sales.

Mr. President, to enlarge upon the point, we say that surplus property has been produced through the sale of bonds, which in reality represent a mortgage upon the individual incomes of the American people. A public debt, I take it, is like a private debt. The proceeds from the sale of surplus property should be applied upon this debt, and no other place. At the present time they are being covered into the Treasury as a part of the budget, and are not being applied on the national debt.

The PRESIDENT pro tempore. The time of the Senator from Nebraska on the amendment has expired.

Mr. WHERRY. I will take time on the concurrent resolution.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. WHERRY. I am sorry; I have only 20 minutes on the concurrent resolution. I shall be glad to yield in the Senator's time.

The PRESIDENT pro tempore. The Senator cannot do that.

Mr. WHERRY. Furthermore, the surplus which is estimated for the fiscal year 1948, as shown in the President's budget, is made possible only by the inclusion among the receipts of items which are not really current receipts. I have already given those items. They are: $549,000,000 for 1946; $1,960,000,000 for 1947; and $1,090,000,000 for 1948. They are covered into the Treasury as miscellaneous receipts. Almost $2,000,000,000, or about two-thirds of all miscellaneous receipts, is in the class of recoveries of past outlays.

There is another reason why the money recaptured from the sale of surplus property should be applied on the war debt. It will keep the record straight, and those interested in the sale of surplus property can turn to the budget each year and see how much money has been actually derived from the sale of surplus property by noting the actual amount applied on the debt.

Let us examine the record. As I have already stated, the estimate is $549,000,000 for the fiscal year 1946, $1,959,000,000 for the fiscal year 1947, and $1,009,000,000 for the fiscal year 1948, or a total of approximately only $3,517,000,000. That is all we can expect from the sale of surplus property.

These figures, as shown in the present budget, represent the entire amount of money which is to be deposited from the domestic sales of surplus property up to and including June 1943. I shall give the foreign figures later. I was told yesterday that this is about all we can expect from the sale of surplus property. I was told that in the final analysis there might be about $2,000,000,000 wrapped up in what we call war plants, which may be leased or kept for the national defense, but that when these sales are concluded they will represent practically all the money we shall recover from the sale of surplus property.

This is the startling feature of the surplus-property program: The Baruch-Hancock report, which I have just mentioned, estimated that the amount of surplus property we would have for sale would be approximately $103,000,000,000. That figure was used time and again in the report and in the debates in the Senate. Think of it. One hundred and three billion dollars was the amount of surplus property we were supposed to have had. Of this amount, I am told that the total domestic sales will gross approximately $5,500,000,000. I received this information from the War Assets Administration only yesterday. Consider those figures. The amount of surplus property for sale represented a sum of $103,000,000,000. Now, we are expected to gross only $5,500,000,000 when all the property is sold. So our expectations will not run more than $3,700,000,000 of gross deposits in the Treasury as the total amount of money recaptured from the entire amount of $103,000,000,000. We must pay the sales expense, nearly $1,000,000,000, and we must pay back to the disposal agencies 20 percent.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. FERGUSON. I merely wished to have it clear on the record whether or not, o page A–18 of the budget, the $1,030,000,000 is included in the income of the Government.

Mr. WHERRY. My understanding is that that item is the estimated amount which will be received in the fiscal year 1948.

Mr. FERGUSON. Is it included in the estimated national income for 1948?

Mr. WHERRY. Yes.

Mr. FERGUSON. So all the Senator is trying to insure is that, notwithstanding any other legislation, this particular amount, if received from the sale of war assets, shall be applied on the debt, and may not be used for any other purpose.

Mr. WHERRY. That is correct. The effect of the resolution would be extended for 2 years to come.

Whatever this recovery is, it ought to be made public information and the Congress should be informed. I think it will be an amazing fact to the taxpayers of the country that of $103,000,000,000 worth of property—although some of it cannot be recovered in money—we shall realize less than $4,000,000,000. But what amazes me is that of the $103,000,000,000 original value of property which we have sold—the money for which has been or will be recovered—there will be deposited in the Treasury of the United States less than $4,000,000,000.

In connection with the foreign sales of surplus property, handled by the Foreign Liquidation Commission, the office of the budget director of the State Department states that the total amount of surplus property received for disposal—the total inventory all through the years—is $8,805,000,000 as of December 31, 1946. I am speaking of surplus property overseas. To this figure should be added $2,000,000,000 which has not yet been turned over to them, but which will be turned over to them when the Army and Navy release it. This makes a grand total of approximately $10,805,000,000 of surplus property which will be sold overseas by the State Department. The Foreign Liquidation Commission has already disposed of $7,437,000,000 of that property. Some of it has been involved in the agreements with foreign countries, in the settlement of lend-lease and other indebtedness which they owe the United States. We have all heard about some of those transactions.

So actually we have $3,360,000,000 of property still to be sold in foreign lands. Perhaps this amendment will induce the surplus property disposal agencies to get a little more money from the sale of surplus property. At any rate, we have that much more to sell. However, of the $10,805,000,000 total, according to the estimates we shall receive in cash only $1,046,000 for the fiscal year 1946. We shall receive only $362,000,000 in the fiscal year 1947; and we shall receive only $70,000,000 in the fiscal year 1948.

In addition, however, in the settlement we shall have $1,368,000,000 worth of notes or debentures of several foreign countries, which of course are of questionable value. In other words, all we can reasonably expect from the total sales of surplus property overseas in the amount of $10,805,000,000, is $400,000,000 in cash. So when the settlement is analyzed from an impartial point of view, we can say that if the estimate holds true, out of the $10,805,000,000 worth of surplus property in foreign countries actually we shall receive approximately $400,000,000 in cash, plus whatever we can collect from the foreign countries which have been given long-time credit on the $1,368,000,000. Such collections are very uncertain. This means that we are settling the entire debt of $10,800,000,000 and selling our surplus property at a fraction of 1 percent of the inventory value of the property. I think the public ought to know it when we are talking about balancing the budget.

We have been talking about expenditures. This is a place where we can be optimistic. We should demand more receipts from the sale of surplus property before it is too late. There is no reason in the world why that question should not be investigated. I am certainly glad that a subcommittee of the Committee on Expenditures in the Executive Departments has been appointed to look into the sales of surplus property. Certainly from the sale of $103,000,000,000 worth of surplus property we ought to realize more than $3,700,000,000 to apply on the debt.

There is another reason why I think we should be apprehensive at this moment. I raised the question on the floor of the Senate day before yesterday. I asked the Committee on Foreign Relations if they knew of any commitment that had been made or might be contemplated with respect to foreign loans, be-

cause we are telling the people of this country what our budget is to be. I am one who believes in balancing the budget. I think that is a responsibility. I think the thing to do is to go carefully over every expenditure which we think will be made during this fiscal year. I asked if any member of the Foreign Relations Committee of the Senate could advise us whether any loans to foreign countries are contemplated this year. The Senator to whom I addressed the question stated that he knew nothing about it, and I accepted his statement. A few moments ago I was handed a release from London which states that the British Government is now asking our Government to make a loan to Greece to help stabilize the Grecian Government. I think that if any members of the Committee on Foreign Relations have knowledge of any contemplated loan to a foreign nation, now is the time to consider it, and not after the loan has been made through an agreement with the State Department, when the Senate will be told about it and asked to support what the Department has done.

If we are ever to reduce the debt we should start to reduce it. If we are ever to balance the budget we ought to start now. I think that is a mandate from the people.

In conclusion, Mr. President, let me say that, no matter what happens to the cushion to which I have alluded, whether it be one figure or another, in the final analysis if we do not have sufficient money left after balancing the budget to apply on the debt, the least we can do is to state in the pending resolution that it is our judgment, as we have already voted unanimously, that every dollar which is covered into the Treasury of the United States, either in specific deposits or in the general fund as the result of the sale of surplus property, should be applied on the national debt. It will show good faith on the part of the Senate to reduce it by that much.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. FERGUSON. Does the Senator from Nebraska have in mind that under the law the title to all lend-lease property is in the United States?

Mr. WHERRY. That is correct.

Mr. FERGUSON. When settlements are made and the money is received from that source, does the Senator have in mind that such money should be applied to reduce the debt, under this resolution?

Mr. WHERRY. I certainly do, and I hope that that point is brought out in the investigation which the Senator's committee makes, because I understand that this money is not to be covered into the Treasury as miscellaneous receipts, from which it could be appropriated.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. TAFT. The total figure of $39,100,000,000 includes approximately $1,000,000,000 from the sale of surplus property. It is a part of the receipts on which we have been continuously counting.

Mr. WHERRY. That is correct.

Mr. TAFT. I wonder if the Senator, in accord with his statement of intention, would be willing to make it clear that this is a part of the $2,600,000,000.

Mr. WHERRY. Yes.

Mr. TAFT. I have a proposal that at the end of his amendment there should be added:

> But any such reduction in the fiscal year 1948 may be counted as part of the $2,600,000,000 referred to in the preceding sentence.

Would the Senator be willing to accept that modification?

Mr. WHERRY. Yes; I shall be glad to accept it; but I want the distinguished Senator from Ohio to concur in my statement that if $2,600,000,000 is not available, still the $549,000,000 for 1946 the $1,960,000,000 in 1947, and the $1,090,000,000 in 1948 should be paid regardless of that fact.

Mr. TAFT. I do not quite understand what the Senator means.

Mr. WHERRY. I do not quite understand the amendment of the Senator from Ohio. If it means only that the $549,000,000 is a part of the $2,600,000,000, I am perfectly agreeable to the amendment; but if it means that there is no cushion of $2,600,000,000 to which to apply the $549,000,000, then I am not for the amendment.

Mr. TAFT. Mr. President, will the Senator yield further?

Mr. WHERRY. I yield.

Mr. TAFT. This is not legislation. The President will not sign the concurrent resolution. It is an expression of the intention of the Senate. The Senate is expressing its intention as to how these funds should be applied. Therefore if there is no surplus whatever I would say that proceeds from the sale of surplus property are to be applied on the public debt. Is that what the Senator means?

Mr. WHERRY. That is what I want. Let me repeat that in the year 1946 I want to have $549,000,000, or such amount as may be derived from the sale of surplus materials to be applied on the war debt; and I am not objecting to its being a part of the $2,600,000,000. That is perfectly agreeable to me. I will say to the distinguished Senator from Ohio that if $2,600,000,000 is not available to be applied on the debt, we should still apply on the debt $549,000,000, or whatever money accrues from the sale of surplus property. I want the same understanding to apply to the year 1947 and the year 1948. I think the Senator's amendment should be changed if he is having it apply only to the fiscal year 1946.

Mr. TAFT. The resolution applies to the fiscal year 1948, beginning the 1st of next July.

Mr. WHERRY. I stand corrected. So the Senator from Ohio agrees with me that this amendment simply means that the $1,009,000,000, or whatever is collected from the sale of surplus property should be considered a part of the amount referred to in the Knowland amendment, and if no cushion is recovered from the general treasury there should still be applied on the debt whatever is recovered from the sale of surplus property for that year. Is that correct?

Mr. TAFT. Yes; that is correct, so far as I am concerned.

Mr. WHERRY. Is that what the amendment provides?

Mr. TAFT. That is the effect of the amendment.

Mr. WHERRY. I will accept the amendment on that basis.

The PRESIDENT pro tempore. Will the Senator from Ohio send the amendment to the desk if it is written?

Mr. TAFT. I will.

Mr. MORSE. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Oregon?

Mr. WHERRY. I yield.

Mr. MORSE. Mr. President, I was called to the telephone just as the Senator from Ohio presented his amendment. I wish to be sure that I understand the situation. I want to see to it, to the extent that I can, that at least the $2,600,000,000 provided for in the Knowland amendment is to be paid on the debt out of tax income. I am perfectly willing to apply on the national debt any additional money which may derive to the Treasury of the United States from the sale of surplus property over and above the $2,600,000,000.

Is that the proposal made by the Senator from Ohio?

Mr. TAFT. It is just the opposite of the proposal made by the Senator from Ohio.

Mr. MORSE. I was afraid of that.

Mr. TAFT. The language of my amendment, to be added to the proposal of the Senator from Nebraska, is as follows:

> But any such reduction in the fiscal year 1948 may be counted as part of the $2,600,000,000 referred to in the preceding sentence.

The PRESIDENT pro tempore. As the Chair understands, the Senator from Nebraska [Mr. WHERRY] has modified his amendment as suggested by the Senator from Ohio.

Mr. WHERRY. Mr. President, I accept the suggestion of the Senator from Ohio, because it is not my intention to add to the amount in the Knowland amendment the $549,000,000 for 1946 or the $1,959,000,000 for 1947. I am afraid that when this proposal is watered down instead of having a surplus which can be used under the Knowland amendment to pay on the debt, we shall not have such surplus. I do not want to be discouraging and I do not want to be pessimistic, but I am insisting that the money recovered from the sale of surplus property be applied on the public debt. That is all my amendment does.

Mr. LUCAS. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. The time of the Senator from Nebraska has expired.

Mr. WHERRY. Then I yield the floor.

Mr. LUCAS. Mr. President, if I correctly understand the amendment offered by the distinguished Senator from Ohio to the amendment of the Senator from Nebraska, and by which the amendment of the Senator from Nebraska has now been modified, it seems to me that the effect would be to apply the $1,079,000,000 which it is estimated will be derived from the sale of surplus property in 1948 to the $2,600,000,000 of debt reduction provided for by the Knowland amendment. I

think the Senator from Ohio will agree with me as to that.

Mr. TAFT. Will the Senator restate the point, Mr. President?

Mr. LUCAS. I say that if I correctly understand the purport of the modification which has been made in the amendment of the Senator from Nebraska in accordance with the suggestion of the Senator from Ohio, if the amendment as modified is adopted by the Senate, the amount of money which it is estimated will be received in 1948 from the sale of surplus property, which is believed to be approximately $1,079,000,000, will be applied to the $2,600,000,000 of debt reduction provided for by the Knowland amendment which has been adopted by the Senate.

Mr. TAFT. That is correct; and the other $1,600,000,000 would have to come out of taxes.

Mr. LUCAS. That is as I understood it. In other words, Mr. President, by the amendment of the Senator from Nebraska, as modified by the suggestion of the Senator from Ohio, we would be striking a hard blow at what we have done today in our pledge to reduce the national debt.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. If that is the interpretation of the senior Senator from Ohio, certainly it is not the explanation which I understood he made a few minutes ago to the Senate. I said that in the event $1,079,000,000 or some similar amount should be received in 1948 from the sale of surplus property, I would not object to providing that that amount of money be applied to the $2,600,000,000.

I ask the Senator from Ohio if he will restate his position.

Mr. TAFT. Certainly. I think my position is perfectly clear, but I shall be glad to restate it, if the Senator from Illinois will yield to me.

Mr. LUCAS. I shall yield any length of time that is desired, if the two Senators wish to confer to see if they can adjust their differences upon this controversial issue.

Mr. TAFT. Mr. President, I asked the Senator from Nebraska whether he intended the money obtained from surplus property sales to be an application on the debt, in addition to the $2,600,000,000. He said, "No." But when I examined his amendment, it seemed to me to be somewhat ambiguous. Therefore, I suggested that he clarify it in accordance with his own statement of intention when he first proposed it.

All I have proposed is that the amount from surplus property be applied to the debt. If it is $3,000,000,000, then the total reduction will be $3,000,000,000. If it is $1,000,000,000, however, then any such reduction may be counted as part of the $2,600,000,000 referred to in the preceding sentence.

Mr. LUCAS. Mr. President, now I think I thoroughly understand what the Senator from Ohio has in mind in connection with the suggestion he has made, which has been adopted by the Senator from Nebraska as a modification of his amendment; and I am sure the Senator from Nebraska and other Senators understand the purpose. The purpose is to definitely cripple and impair what the Senate of the United States unanimously did with respect to the Knowland amendment.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LUCAS. I shall yield in a moment.

Mr. President, the Senate unanimously adopted the Knowland amendment which provides that at least $2,600,000,000 shall be applied upon the national debt, out of the revenues produced from taxation. Now what the Senator from Ohio seeks to do through his modification of the Wherry amendment is to apply at least $1,000,000,000 received from the sale of surplus property in 1948 to the $2,600,000,000, which in reality would mean that in adopting the Knowland amendment we provided for the payment of $1,600,000,000 on the national debt, assuming that $1,000,000,000 is received from the sale of surplus property in 1948.

Mr. O'MAHONEY and Mr. TAFT addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Illinois yield; and if so, to whom?

Mr. LUCAS. I yield first to the Senator from Wyoming.

Mr. O'MAHONEY. I suggest to the Senator from Illinois that it would seem advisable to have a quorum call so that the Senator from California may be present and may understand what is being done to his amendment. He originally proposed the application of $3,000,000,000, at least, of the revenues of the United States upon the national debt. The Senator from Ohio offered an amendment to make an application of only $1,000,000,000 to the national debt; and then, upon the floor of the Senate, as I understand the matter, the Senator from Ohio and the Senator from California reached an agreement to the effect that the amendment of the Senator from Ohio would be withdrawn if the Senator from California would reduce the amount provided by his amendment from $3,000,000,000 to $2,600,000,000.

Now the Senator from Ohio proposes to cut from the agreement he has made with the Senator from California whatever may be produced by way of surplus property receipts.

Therefore, Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. Does the Senator from Illinois yield for that purpose?

Mr. TAFT. Mr. President, will the Senator from Illinois yield to me, to permit me to make a statement of fact?

The PRESIDENT pro tempore. The Senator from Illinois has the floor. Does he yield for the purpose requested by the Senator from Wyoming?

Mr. LUCAS. I will not yield to anyone for any purpose, for the moment.

The PRESIDENT pro tempore. The Senator from Illinois has the floor.

Mr. TAFT. Mr. President, will the Senator from Illinois yield, though, to me, to permit me to answer a statement which is not a statement of fact?

Mr. LUCAS. I do not yield for the moment.

The PRESIDENT pro tempore. The Senator from Illinois declines to yield.

Mr. LUCAS. I think I have only 10 or 12 minutes remaining on the amendment.

Mr. President, I may be mistaken about the matter, and if I am I want the able Senator from Ohio to explain when I conclude the brief statement I am about to make. But as I sat here and tried to follow the able argument which was being made by the Senator from Nebraska upon his amendment, I thought, after a colloquy with him, that I understood it.

However, after propounding further questions and after listening to the debate, I have received the distinct impression that what he is attempting to do is, irrespective of whether the revenues from taxation are sufficient to reach a total of $2,600,000,000 of receipts over expenditures, the Senator from Nebraska wants the money which will come from the sale of surplus property in 1948 to be definitely applied upon the national debt.

Mr. WHERRY. That is correct.

Mr. LUCAS. That is as I understood the Senator.

Then the Senator from Ohio offered his amendment, which the Senator from Nebraska accepted, apparently under a misapprehension of its purport, if I have correctly understood the Senator from Ohio. If I am rightly informed, that amendment simply means that instead of being an addition to the $2,600,000,000 to be applied as a reduction of the national debt, any amount which is received from the sale of surplus property in the year 1948 will be applied upon the $2,600,000,000 debt reduction which has been provided for by the amendment unanimously adopted by the Senate today.

Now I yield to the Senator from Ohio, and I ask him whether the statement I have made is correct.

Mr. TAFT. No; it is not a correct statement.

Mr. LUCAS. Then I respectfully request that the Senator from Ohio had better correct his previous remarks.

Mr. TAFT. Mr. President, it was suggested that the agreement with the Senator from California was that the $2,600,000,000 be paid out of taxes. There was never any such suggestion, and there was no such agreement.

In the list of revenues of the Government which appears in the budget, as the Senator will observe if he will study the budget, there is included, besides receipts from taxes, $2,619,000,000 of miscellaneous receipts. If Senators will refer to that list of miscellaneous receipts, they will find that in it is included an item of $1,079,000,000 from the sale of surplus property. In other words, we have always counted the income from the sale of surplus property as a part of the income of the Government; and when we refer to a total income of $39,100,000,000, we include as a part of the total over $1,000,000,000 of receipts from the sale of surplus property.

Therefore, if this amendment is not adopted and if the ambiguity which I fear occurs, out of the total income of $39,100,000,000 we would be reducing the debt a net amount, not of $2,600,000,000, but of approximately $3,600,000,000, and therefore we would have remaining prac-

tically no money with which to make any tax reductions at all.

So, Mr. President, my amendment is entirely innocent and entirely in order and entirely what the Senator from Nebraska intended.

Mr. LUCAS. I regret that I cannot agree with the argument made by the distinguished Senator from Ohio, as to the effect of his amendment. I doubt that the Senator from Nebraska agrees.

Mr. WILSON. Mr. President, will the Senator yield to me?

Mr. LUCAS. I yield.

Mr. WILSON. Mr. President, in order to clarify the matter, taking the amendment as offered by the Senator from Nebraska I move that the word "should" in the last line thereof be stricken out and that the words "shall be" be inserted.

The PRESIDENT pro tempore. Does the Senator from Illinois yield for the purpose of the submission of the amendment?

Mr. LUCAS. No; I do not yield for that purpose. I should like to have the Senator from Iowa make his suggestion in his own time.

The PRESIDENT pro tempore. The Senator declines to yield for the purpose.

Mr. LUCAS. I desire to discuss for a moment the amendment which was adopted by the Senate, which provides:

> It is the further judgment of the Congress that sound fiscal policy requires that not less than $2,600,000,000 of the excess of revenues over expenditures be applied toward reduction of the public debt during said fiscal year.

That means something. We have unanimously passed it by a record vote. We should not tamper with it by innocent, innocuous amendments, which may not be so innocent after all, when properly applied.

If the amendment offered by the Senator from Ohio is such an innocent one, I would suggest that he withdraw the amendment and let the amendment go through as originally submitted by the Senator from Nebraska. I think everyone understands that, and I am not sure that anybody understands just what the Senator from Ohio contemplates doing as a result of the language of the amendment, or what the ultimate effect may be.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Nebraska as modified.

Mr. TAFT. Mr. President, the Senator from Illinois seems to be unable to understand perfectly clear English and perfectly clear figures. The receipts from surplus property have been considered revenue. They have always been treated as such in the budget, and they are now so treated in the budget. They are included in the $39,100,000,000 of revenue in the President's budget, against which he is trying to charge thirty-seven and one-half billion of receipts. He is using them as revenue, and we have always considered them as revenue.

Mr. BARKLEY. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. BARKLEY. The Senator from Ohio is correct to the extent of saying that the $39,100,000,000 includes receipts contemplated from surplus property. I had some doubt about it in my own mind, because there is a big difference between revenues and receipts. We usually think of revenues as coming from taxes. Receipts may come from any source. But in order to make sure, I just called the Director of the Budget, who advises me that the thirty-nine billion one hundred million includes all the miscellaneous receipts, including the contemplated $1,079,000,000 from surplus property.

But that does not necessarily clear up the complication involved in the amendment of the Senator from Nebraska, because if it be true that we must now consider the amendment of the Senator from California, which we have already adopted unanimously, as providing that out of the difference between the $39,100,000,000, made up of taxes and all other receipts, and whatever the expenses may be, $2,600,000,000 must be applied to the public debt, and the amendment offered by the Senator from Ohio, which the Senator from Nebraska is on the verge of accepting, provides that that $2,600,000,000 shall be reduced by whatever amount is involved in the sale of surplus property, I am laboring under a constant fear that step by step we are whittling down the amount we are finally going to apply to the public debt.

Mr. TAFT. Mr. President, I thank the Senator from Kentucky for clearing up the misapprehension in the minds of some of the Senators. So far as we are concerned, receipts from surplus property sales are just like receipts from taxes, and that is as we have counted them all along. The original concurrent resolution on the desk reads:

> That revenues during the period of the fiscal year 1948 will approximate $39,100,000,000 and that expenditures during such fiscal year should not exceed $31,500,000,000.

So they have been counted already. The surplus left after we amended the concurrent resolution yesterday is about $6,100,000,000. Of that we apply $2,600,000,000 to the debt, if in addition to that we took another billion out of surplus property, we would be applying $3,600,000,000 to the debt, and, as I have said, leave something less than two and a half billion for possible application to reduction of taxes, if we wish to do that.

As I understand, the desire of the Senator from Nebraska is rather to establish a principle, not to change the $2,600,000,000. We are not whittling away the $2,600,000,000. When we get through with his amendment, we still reduce the debt by $2,600,000,000. He wants to establish the principle that if that reduction be taken out of surplus property, and we should sell $3,000,000,000 worth of surplus property, then we would have $3,000,000,000 to apply on the debt, and we would also have a much larger revenue and could afford to do it.

I do not see any reason why the Senator from Nebraska should not accept the amendment. He has accepted, I think, the amendment I suggested, and it makes the whole matter entirely clear, that is, that next year we are to have a reduction in the debt of $2,600,000,000 unless the surplus-property receipts exceed that sum, in which case we will have a reduction in the amount of the surplus-property receipts.

Mr. TYDINGS. Mr. President, I offer an amendment to the proposal of the Senator from Nebraska, as amended, to strike out the Taft amendment, so-called, from the original proposal.

The PRESIDENT pro tempore. The Senator from Maryland proposes to strike certain words from the amendment submitted by the Senator from Nebraska.

Mr. TYDINGS. In that respect, Mr. President, I should like to say a brief word.

At the beginning of the present session I thought there was an excellent chance for my friends on the other side of the aisle to take over control of at least two of the three branches of the Government, but as this debate proceeds I am beginning to question whether they really want to take them over.

There are some splendid men on the other side of the aisle. There is the senior Senator from Ohio [Mr. TAFT], the junior Senator from Ohio [Mr. BRICKER], indeed I could call the roll and include almost every Senator on the other side of the aisle as a Presidential candidate, along with the great Governor of New York. But I think they are going to bring on a shoe shortage, and if we have a shoe shortage in this country, there are going to be millions of votes lost as the people in our large cities go barefooted, because the Republicans are marching up and down the hill so fast, it is going to take all the shoe factories a long while to keep them supplied with shoes.

We started out with a proposal for a $6,000,000,000 cut, publicized in all the newspapers day after day, not a cut because of revenues derived from the sale of surplus property, but that the expenses of the National Government were to be cut $6,000,000,000. Not $5,000,000,000, but $6,000,000,000, were to be cut from the expenditures of the Federal Government. The billion-dollar income we will get from the sale of surplus property was never mentioned in any of the original estimates of the reduction in governmental expenditures. The spending spree was to be cut by $6,000,000,000. That is what the newspapers said, that is what the House of Representatives voted for.

When the proposal came to this body, there was a division as to whether or not the expenditures of the Government were to be cut by six billion or by four and one-half billion. I voted for the four-and-one-half billion cut, thinking that my "Presidential" friends on the other side of the aisle were going to cut four and one-half billion from the expenses of the Government. Now, I have just learned that in the $4,500,000,000 there is included more than a billion dollars which does not represent a cut in expenditures at all but which is derived, and would be derived if we never made any reduction at all, from revenues of the Government. So that cuts the amount down to $3,500,000,000 from the original $6,000,000,000.

Mr. TAFT. Mr. President, will the Senator from Maryland yield?

Mr. TYDINGS. I yield.

Mr. TAFT. The reasoning of the Senator is peculiar. We are cutting the expenditures. The Senate has resolved, with the Senator's acceptance, I take it, to cut the expenditures of the Government from $37,500,000,000 to $33,000,000,000. That has no relation whatever to receipts, no relation to the surplus property, and no relation to anything else the Senator is talking about, so far as I can see.

Mr. TYDINGS. I thank the Senator for his explanation, which but proves my point—that instead of there being a cut of $6,000,000,000 or $4,500,000,000 in Government expenses, we are going to have a cut now of either five billion, if the House provision shall prevail, or three and one-half billion, if the Senate provision shall prevail. So that of the $6,000,000,000 that was the original target, we are up to $4,500,000,00^ already. There has been a retreat down the hill, after we marched up Suribachi, with colors flying, with the shells of economy bursting all around us. We went right down the hill, with the flag lowered, and lost $1,000,000,000 in the first foray against the capture of economy hill.

Then there was the talk of the 20 percent tax cut across the board. That has gone so far away that even Admiral Byrd, in the best plane which could be produced, would never find the thing called a 20-percent tax reduction across the board.

We are now down to the point of questioning whether we are going to get 10 percent. For heaven's sake, gentlemen, get together, or we Democrats will elect another President, even in spite of everything.

It was stated in the headlines week after week—and good headlines—the kind the people want to read—"Six billion-dollar slash in expenses." Lo and behold, there has been an error of 16½ percent in every headline that went forth 3 months ago, 2 months ago, 1 month ago, 1 week ago, 1 day ago. Even great Democratic newspapers like the Chicago Tribune are saying that we Democrats are likely to elect another President if the Republicans do not watch out. I wanted to dispute that with them, but since I came into the Chamber this afternoon and listened to the debate, it looks as if we might have to put up with another Democratic administration for 4 more years.

Even the friend of all of us, that outstanding columnist, Mr. Westbrook Pegler, in today's Times-Herald, writing in his column, Fair Enough, says the President we have—whom he calls "George Spelvin," and whom we call Harry Truman—looks to him like a pretty good bet for the Republican voters of the country.

I ask unanimous consent to have inserted at the end of my remarks the article to which I refer.

There being no objection, the article was ordered to be printed in the RECORD.

(See exhibit A.)

I am very fond of the Senator from Ohio. He is one of the most industrious and able citizens of this Nation, and as his friend and as the friend of all the Presidential candidates on the other side I say, "Gentlemen, get together, and either go up the hill, or go down it, or stay in the middle, so we Democrats will know what you are trying to do."

[Manifestations of applause in the galleries.]

The PRESIDENT pro tempore. The galleries are admonished that any evidences of approval or disapproval are strictly against the rules of the Senate.

EXHIBIT A

[From the Washington Times-Herald of February 28, 1947]

FAIR ENOUGH

(By Westbrook Pegler)

Somehow I keep coming back to that fellow. He sort of caught me that first day when they telephoned him that he was it, an ordinary, play-poker, play-piano county commissioner pitched into the most important, the most responsible and the most dangerous job in the world, and he said to the reporters, "pray for me, boys. And I mean it."

We had been having a lot of neck-prayers on dress occasions before then, but never, in many a year, a spontaneous, mother's-knee prayer from the heart of a man who would say "Dear God, help me," and not seem to mean "how am I doin', partner?"

He can be happy without flippancy and I dont recall hearing a sneer out of him since he took over. He can be serious without being morose. He can get tough without nastiness, but if you like it that way, don't go bawling to your maw that he hit you with your own shinny-stick.

I will bet you I know a million Republicans, which is nonsense because nobody knows a million anybodies, but anyway, I know a lot of Republicans who wish he was their fellow so they could be for him.

Why can't they?

Well, you know, the union bosses, the New Deal crowd, the bleeding-hearts, the Communists, the old girl—and all them. To be for him you have to be with them and sort of B squad at that.

But I don't know.

Madam Perkins, she was New Deal, and where is she at now? Ickes. Where is he? Wallace. Morgenthau. Biddle. Frankfurter. You don't hear much about "Old Weenie" any more, do you? Somebody must have taken up his latchkey. Nor the guy with the jaw. Remember Chester Bowles and all that commotion how you couldn't make an even trade of a pound of double-saws for a pound of hamburger if they canceled OPA? Missing: Chester Bowles; no reward.

Leon Henderson. No, thanks for the memory.

John L. Lewis. John had a permanent bead on "Mr. Big" and moved him around and kept him off balance and licked him every time they started. Then along comes Johnny One-Suit, always looking like his old maw just dressed him up and slicked his hair for the strawberry social, and he belts John right through the skylight without even a glare. He just turned his back on the toughest mugg in town and when he came back from Key West, John's lawyers were fanning him with their hats and he was muttering, "He pulled a knife on me." Hexed him, he did. Hexed him bow-legged, and the first guy to lick him since Girdler.

Do you notice how you don't notice his wife? No taffy pulls for the ladies of the press. No popping off about what the British ought to do to Franco. No cigars, cigarettes, souvenirs, and nuts. No graft. Have you noticed how quiet it is? Maybe not, but you don't notice a tooth when it quits aching.

It has been a long time since you heard of old Dan Tobin, of the teamsters in and out of the White House, and the PAC is buried alongside the Anti-Saloon League. Sidney Hillman and Wayne B. Wheeler setting on a cloud bragging what they had done and secretly calling each other the boastfullest old bore that ever lived, like Noah and the hero of the Galveston flood.

It took that fellow a spell to get the feel of the track, to learn timing and pace. He floundered on that proposition of 26 weeks at $25 a week for the laid-off war workers after the UAW had been boasting that it got the highest wages in history and even $80 a week for a sweeper.

I figure it was the old crowd who handed him that one, not so much that they hoped to get it as to show they had him for theirs. He was terrible on OPA when he tried to save it for them, but I figure he was still listening when he should have been thinking.

Then, all of a sudden, the fellow was there.

I remember the night Paavo Nurmi ran his first race in America in the old Garden. Little Al Copeland, the old sprinter and coach, was sitting there and after three or four laps he said, "Yep, this one is a runner."

And that is what I am thinking.

I am thinking that if the Republicans had him, at his present political size and with the class he has shown, not merely since election when he came on so stylish, but along in there when he was quietly passing the old New Dealers on the turns, they would have it all. The Democrats would have nobody then because he is all they have got.

Don't heckle me about his past with Pendergast or the way he stalls and fills in about union legislation or Lilienthal or the budget.

I keep coming back to him in spite of Pendergast. I don't reconcile it. I look him over and hear him in a voice that was made for talking to people and not to excite and make fools of them and I feel that still he is all-American and will belly up to Stalin and step on his toes and say "Listen, you," instead of, "Now, Joe."

I notice that he has ditched them all, Wallace, the widow, and Ickes, and made them tag along and it doesn't matter a damn to him if they don't because if they quit him that will win him two votes for every one they can take away.

I can feel that he hates the Communists and has been a very good ratter driving them out, even up to now.

I keep coming back to him, no wonderman, but George Spelvin, American, trimming a little but doing his best and with his pants a little knee-sprung from kneeling and not to Stalin, either.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Maryland [Mr. TYDINGS] to strike certain words from the amendment of the Senator from Nebraska [Mr. WHERRY].

Mr. ROBERTSON of Virginia obtained the floor.

Mr. LANGER. Mr. President, will the Senator yield for a moment?

Mr. ROBERTSON of Virginia. I yield.

Mr. LANGER. I ask unanimous consent to be excused from attendance on the Senate for the remainder of the afternoon. One of my friends has become very seriously ill, and I am trying to get him into a hospital.

The PRESIDENT pro tempore. Without objection, the consent is granted.

Mr. ROBERTSON of Virginia. Mr. President, I have no desire to delay the vote, which all of us want to see cast, to end the discussion of what we shall do with the national debt. I am in thorough accord with the position taken by the distinguished Senator from Nebraska, that proceeds realized from the sale of surplus war property should be applied to the debt created in its purchase, but I am not at all disturbed

over the proposal that we should endeavor to apply at least $2,600,000,000 to the national debt, because if we applied as much as $5,000,000,000 a year to the debt, it would take over half a century to pay it. If in the period of our greatest prosperity, we debate and hesitate to apply as much as $2,600,000,000 to the debt, we know that in periods of adversity we shall apply nothing to it.

Mr. President, I am unwilling that this debate should come to a close without inviting the attention of the Senate to the fact that the real and actual debt is from eight to ten billion dollars more than the technical debt of $259,000,000,000 which we have been discussing. That comes about by reason of the act passed by Congress last year fixing a debt limit of $275,000,000,000. In that act we changed the definition of how the Treasury was to carry the obligations on its books, from a maturity value, which is the actual debt we will ultimately pay, to current redemption value; and in making that technical change many persons were led to believe that we had automatically written off about $8,000,000,000 of debt. That is not the case; that amount is still there, and it will have to be paid. Furthermore, Mr. President, that act, which was passed last year, provided that guaranteed obligations of the Government which were held by the Treasury Department would not be included in the total of the national debt. How many of those obligations the Treasury now holds I do not know; but it is a considerable sum.

It was said in debate earlier today that the estimated receipts of $2,194,000,000 from the social-security tax, when invested in Government bonds, would not increase the national debt. I know of nothing in the Social Security Act, or in any other act, that requires anything more of the Treasury Department than to issue bonds equal to the receipts of the social-security fund.

In the total of $39,000,000,000-plus of expected revenue is included this item of $2,194,000,000. Prior to 1939 the Treasury had to issue 3-percent bonds to be turned over to the trustees of the Social Security Act trust fund. In 1939 Congress changed that and provided that such bonds would bear the current interest rates. We know that at least up until 1946 the Treasury put into the general fund all the receipts from the social-security tax, spent the money, and did not retire any bonds to offset the bonds placed in the hands of the trustees of the Social Security Act.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. ROBERTSON of Virginia. I yield.

Mr. TAFT. The Treasury did that, but when it was done it showed up in the deficit of the Federal Government; so that when there was a deficit of $3,000,000,000 for the year 1937, we will say, that included $1,000,000,000 of the funds to which the Senator referred.

It is true that the cash which the Treasury gets does not necessarily have to be used to reduce other debt, but it does show up in the expenses of the Government, and if the budget is balanced, then necessarily the cash that is received must reduce other debt. The total debt is not increased, provided the budget is balanced. The key is to balance the budget.

Mr. ROBERTSON of Virginia. I would say to my distinguished colleague from Ohio that we must do two things: We not only must balance the budget but we must require the Treasury Department to retire outstanding bonds, if and when they issue bonds for the social-security trust fund.

Otherwise the debt will of necessity be increased by that amount. So I say, Mr. President, we are actually facing a debt of from $8,000,000,000 to $10,000,000,000 more than we have been discussing, and it well behooves us today to vote to make a maximum payment in this period of prosperity to the end that faith and confidence in the fiscal soundness of the Government may be maintained.

Mr. TAFT. Mr. President, I only wish to say that I oppose the amendment of the Senator from Maryland [Mr. TYDINGS], which I hardly think is offered seriously. It seems obvious to me that we have settled the problem of how much reduction we want to make in the debt. We settled it previously by action taken on the amendment of the Senator from California. We want to make a reduction of $2,600,000,000. I think that amount too much, and I agreed to the amendment reluctantly. But I certainly do not want to change the amount so as to provide for a reduction of $3,600,000,000, which I think would be far too much. Therefore, I hope the amendment of the Senator from Maryland will be rejected.

Mr. KNOWLAND. Mr. President, will the Senator yield to me?

Mr. TAFT. I yield.

Mr. KNOWLAND. I missed a part of the earlier debate, but as I understand the Senator has no intention by his amendment to change the purpose of the amendment of the Senator from California, which was unanimously adopted, and which provides that not less than $2,600,000,000 shall be applied toward payment of the Federal public debt.

Mr. TAFT. There would be no change whatever. Some misapprehension arose because the suggestion was that the receipts from the sale of surplus property were not included in the revenues. They are included in revenues. They have been included in revenues all along from the very beginning of the calculation. Without the amendment I suggested to the amendment of the Senator from Nebraska, the effect, it seemed to me, would be to apply about $3,600,000,000 on the debt.

Mr. KNOWLAND. Mr. President, will the Senator yield for one more question?

Mr. TAFT. I yield to the Senator from California.

Mr. KNOWLAND. Let us assume that the Senator from Nebraska had not offered his amendment at all, is it not the case that the amounts received from the sale of surplus property are covered into the miscellaneous receipts of the Treasury, and are included in the estimates made by the Director of the Budget as to what the revenues or receipts of the Federal Government will be during the coming fiscal year?

Mr. TAFT. The Senator is entirely correct. Not only that, but they are included in the word "revenues" in the concurrent resolution we have been considering, which states that revenues for the fiscal year 1948 will approximate $39,100,000,000. That figure is reached by including the receipts from the disposition of surplus property.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. There are also included, as I understand, the receipts from the social-security tax, which are invested in an equivalent amount of Government securities. So that if by any chance the requirements of the social-security fund should take all the fund which is collected in any one year, it would be necessary in order to arrive at the real net income of the Government, its revenue, to take the social-security tax from the total amount because it is not revenue in the real sense of the word. It is calculated as revenues just as are surplus property proceeds and a great many miscellaneous taxes.

Mr. TAFT. As a matter of fact, the Senator is not quite correct because in the ordinary method of figuring the receipts, the net appropriation to the Federal old-age and survivors insurance trust fund, $1,987,000,000, is deducted before reaching the $39,100,000,000. For some reason it is treated differently from any of the other receipts. The Senator will find in the total estimate of budget receipts a total figure which includes the taxes on the old-age insurance, and then a net appropriation is specifically deducted, not as an expense, but as a reduction from costs.

Mr. BARKLEY. I understand that, but there is bound to be a difference, because from year to year the Treasury has used the excess of the tax received under the Social Security Act over the outlay which has been required and applied it to the current expenses of the Government. It has issued Government bonds in lieu of that excess. It is required by the law that money from this source be invested in Government bonds, and the Government has expended the money and issued its bonds in lieu of cash.

Mr. TAFT. I thank the Senator. I merely ask, Mr. President, that the pending amendment be rejected.

Mr. KNOWLAND. Mr. President, will the Senator yield for one more question?

Mr. TAFT. Yes.

Mr. KNOWLAND. I ask the question because there has apparently been a misunderstanding which I should like to have cleared up. As I understand the situation now, the amount to be applied under the amendment which the Senate unanimously adopted would be not less than $2,600,000,000, and that in nowise would be changed by the amendment of the Senator from Nebraska or the amendment of the Senator from Ohio. The purport of the amendment offered by the Senator from Nebraska is that the $2,600,000,000 shall not be reduced, but in the event—and it is rather a far-fetched possibility—that surplus property should be sold in the amount we will say of $3,500,000,000 in 1 year, the entire

$3,500,000,000 would be applied on the debt.

Mr. TAFT. Instead of $2,600,000,000.

Mr. KNOWLAND. Yes, instead of $2,600,000,000. So there might be applied to the debt a larger sum, but in no event a lesser sum than $2,600,000,000.

Mr. TAFT. The Senator is entirely correct. That is exactly the effect of the amendment of the Senator from Nebraska.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. AIKEN. As I understood the discussion of the Knowland amendment and the compromise which was effected at $2,600,000,000, it was stated that the $2,600,000,000 figure would be taken to conference. When that is done usually the figure determined upon by the Senate does not stand in conference. We will assume the House to say, "We are not going to have any figures whatsoever," or that the proposal of the Senator from Ohio, which was for a reduction of $1,000,000,000, is agreed upon. Then we will assume that surplu. property sales amount to $1,000,000,000, and that money is turned into the Treasury to be applied on the debt. That leaves the entire difference between the appropriation and the Federal income to be applied on tax reduction, and in my opinion would leave the Knowland amendment completely meaningless.

Mr. KNOWLAND. Mr. President, will the Senator from Ohio yield to me at that point?

Mr. TAFT. One moment. Does the Senator from Vermont know of any way by which to compel the House to do anything they do not wish to do?

Mr. AIKEN. I do not know of any way.

Mr. TAFT. Any action we ever take in the Senate is always subject to objection in the House of Representatives. We cannot get away from that. I do not know what the Senator from Vermont wants us to do.

Mr. AIKEN. It is my opinion that if after taking this to conference the Senate conferees come away with an agreement of a one-billion-dollar debt reduction they will be doing very well. I believe that a part of the reduction in Government expenses certainly should be applied to reducing the national debt. The people at home are asking to have the debt reduced to a safe margin and are asking to have the budget balanced. They would also like tax reductions, but not many of them put tax reduction ahead of the other two conditions, namely, balancing the budget and reducing our obligations to a point consistent with national safety.

Mr. KNOWLAND. Mr. President, will the Senator from Ohio yield to me?

Mr. TAFT. I yield to the Senator from California.

Mr. KNOWLAND. I should say to the Senator from Vermont that if I thought such a situation would be brought about I would not be favorable to the amendment, but I call the attention of the able Senator from Vermont to the fact that the adoption of the concurrent resolution merely expresses certain judgments of the Congress; and if perchance the conference committee should reduce the amount to such a point that the Congress did not feel it was adequate to a sound fiscal arrangement, we would still have the last crack at the proposal, because while the Constitution says that revenue legislation must originate in the House of Representatives, it is also a requirement that the United States Senate must pass any tax measure. We have it in our power to decide whether there shall be any tax reduction at all; and if there is no tax reduction, or if there is a limited tax reduction and a surplus occurs in the Treasury of the United States, under the existing law, the Secretary of the Treasury may take money from the excess of receipts over disbursements and apply it to the Federal public debt.

Mr. TAFT. Mr. President, the able Senator from California very accurately states the situation. This is only a declaration of intention. We may have to amend our views in conference, although the Senator may be sure that I shall do everything possible to try to maintain the $2,600,000,000 application to the debt. However, we do have the last word on the question of whether or not we shall make a tax reduction and how large a tax reduction we shall make. Everything over and above that must be applied on the national debt. It will be automatically applied on the national debt under the present system of operation.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. AIKEN. I was about to say that I think the Senator from California has correctly stated what may happen. But I wish to add that I think the Senate should aim its sights high at the target of good, sound government, because, after all, the resolution must go to conference. We must remember that leading Members of the House made the promise of a 20-percent reduction in taxes, straight across the board. They made the assertion that we should eliminate 1,000,000 Federal employees, without knowing from what departments they could be eliminated. We must deal with Members of the House. We shall probably have to compromise with them. Therefore, I do not believe that we can aim too high at the target of sound and progressive government.

Mr. FULBRIGHT. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. FULBRIGHT. Mr. President, last year Congress passed and the President signed a bill relating to the use of certain credits from the sale of surplus property abroad, in limited amounts, to finance the exchange of scholars, and for other purposes. Would the present proposal interfere with that arrangement?

Mr. TAFT. No. As I understand the Senator from Nebraska, his amendment relates only to money which is derived from the sale of surplus property and paid into the Treasury as miscellaneous receipts. As I understand, in the situation referred to by the Senator from Arkansas that money never gets into the Treasury as miscellaneous receipts.

Mr. FULBRIGHT. I wished to make it clear that it was not intended to alter that program.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. The situation which might arise under this amendment is automatically somewhat confusing. While it is not binding so far as the overall goal is concerned, if the amendment of the Senator from Nebraska had any effect at all, it would be this: Let us suppose that, regardless of the $39,100,000,000 which we have estimated as revenues from all sources, the revenues did not reach that amount. Let us suppose that when all the appropriation bills were added together they aggregated an amount equal to all the revenues from all sources. There would be no surplus of income over outgo. Would the Senator's amendment still require that the amount obtained from the sale of surplus property be applied to the public debt?

Mr. WHERRY. Yes.

Mr. BARKLEY. If that were true, would it not create a deficit which would automatically increase the public debt by the same amount by which it was reduced as a result of the sale of surplus property?

Mr. WHERRY. That is correct.

Mr. TAFT. I think the Senator from Kentucky is correct. That is a proper criticism of the amendment. The Senator from Nebraska proposes to pay our debts, even though we must borrow the money with which to pay them.

Mr. BARKLEY. In other words, we would be taking money out of one pocket and putting it in another, and the result would be the illusion that we had more money than we had at the start.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. WHERRY. That is the very argument which was used 2 years ago on the floor of the Senate as a reason why we should not adopt the amendment when the conferees came back with the report. The Senator can laugh it off if he so desires; but I maintain that the money which is recovered from the sale of surplus property should be applied on the debt, if for no other reason than to let the people know what it is, even if we must borrow the money. If we had to borrow the money, perhaps some of the people would object to buying bonds. The time has come when that question must be met, and that is the principle which we are declaring here today.

Mr. TAFT. The Senator wishes to emphasize the fact that if we apply the proceeds from the sale of surplus property to the debt, it will be brought to the attention of the people that we are really living beyond our income, because we should not have used the money for current expenses.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Maryland [Mr. TYDINGS] to strike certain words from the amendment of the Senator from Nebraska [Mr. WHERRY] as modified.

Mr. MORSE. Mr. President, the debate on the Wherry amendment, with the

modification suggested by the Senator from Ohio [Mr. TAFT], has made one or two principles pretty clear.

I think it has been made clear that there is not much inclination in the Senate to levy taxes with which to pay for debt reduction.

As I understand the discussion of the Senator from Nebraska [Mr. WHERRY], and the Senator from Ohio [Mr. TAFT], what they really have in mind is to use property which the Government now owns, namely, war surplus property, and apply it on the national debt thereby enabling them to use whatever savings we can make in the expenses of administering the Government for application on a tax-reduction program. I am perfectly willing to have whatever money we may get from transferring Government surplus property into money as payments on the national debt but I do not want those sums to be used as a substitute for at least a $2,600,000,000 payment on the national debt collected through taxes.

Hence I wish to express for the RECORD my view. I think the time has come when we ought to recognize the importance of levying taxes with which to reduce the national debt. I think it is very clear from the discussion of the senior Senator from Ohio that it is his desire to reduce taxes at this time rather than reduce the national debt. It happens to be my judgment that we cannot reduce taxes at this time and make any substantial payment on the national debt. When we talk about applying income from the sale of surplus property, on the basis of the fact that the President's budget includes within the term "revenue" receipts from the sale of surplus property, I would point out that that is a misuse of the term "revenue." When we translate governmental real property, governmental tanks, or governmental property of any other type into money, all we do is to indulge in recoupment.

For example if one gives $100 to his wife to buy a piece of furniture and she spends only $80 for it and gives him back $20 he has not received $20 in new income. What he has done is recouped $20 from the $100 that he set aside for the purchase of a piece of furniture.

I have on my desk here a book belonging to the Government. I imagine it is worth about 50 cents. If the Government sells the book for 50 cents and applies the 50 cents on the national debt it has not obtained for itself any new revenue but has only engaged in a form of recoupment.

I am perfectly willing to apply the proceeds from surplus property as payments on the national debt, but in addition to that I want to maintain at least the present tax structure and take at least $2,600,000,000 of tax revenue for additional payment on the national debt. I certainly think that is the spirit of the Knowland proposal and if it is not we ought to make it so.

If we are really to reduce the national debt, as the Senator from Kentucky [Mr. BARKLEY] recently pointed out in his exchange with the Senator from Nebraska, we must tax the American people to do it. That is what the politicians do not like to do.

I think we would serve the people best in this year of great prosperity by levying taxes so that we can pay, not $2,600,000,000, but a great deal more, on the public debt. I voted for that figure in the Knowland proposal, because it was the best we could get. What we ought to be saying to the American people today is that we propose to tax them to pay, if at all possible, $10,000,000,000 on the national debt and protect the value of the American dollar. I think that if we made this issue clear to the people, they would be willing to pay about that sum on the debt if we showed good faith in eliminating unnecessary administrative costs of government.

We have now reached a point where it is proposed, because we are going to call the proceeds from the sale of surplus property revenue, to take that so-called revenue and apply it to the $2,600,000,000 involved in the Knowland amendment. I think that would be a most unfortunate fiscal policy for the Senate to adopt. I think it is our duty to inform the American people as to the great fiscal danger which confronts them today.

So, Mr. President, I would amend the amendment of the Senator from Nebraska, as proposed a few minutes ago by the Senator from Iowa [Mr. WILSON] on behalf of both of us, by changing the word "should" in the last line of the Wherry amendment to the word "shall."

The PRESIDENT pro tempore. The amendment is not in order at the present time.

Mr. MORSE. I serve notice that when it is in order, that is the amendment that I shall offer.

I close these remarks by reiterating that what the debate during the past hour and a quarter has really shown to the American people is that the design is to reduce our obligation to raise debt reduction revenue by way of taxation by applying on the National debt recoupment money obtained from trading already owned Federal property into money. If that is not juggling, if that is not indulging in fiscal gymnastics, then I have never seen that type of gymnastics.

I think that the proposal of the Senator from Nebraska [Mr. WHERRY] places form over substance. I think that the proposal of the Senator from Ohio [Mr. TAFT] has as its primary objective a book transaction by applying surplus property which is already owned by the Government as recoupment payment on the national debt. By using such surplus property recoupment payments as debt reduction credits against the $2,600,000,000 called for under the Knowland amendment then the plan will be to reduce income taxes. I think that that is pure legerdemain and I am against it because I think the American people should be told that this year they should pay a substantial sum on the national debt out of tax dollars. I do not see how we are ever going to protect the value of our dollar if we do not tax ourselves now before it is too late in order to pay a considerable sum on the national debt this year.

Mr. O'MAHONEY. Mr. President, there are two points of view involved in this debate. They have been involved in the debate from the very beginning of the discussion of the resolution which seeks to reduce the budget submitted by the President and to place a ceiling upon appropriations. Those two contrary points of view are between the Members of the Congress who believe that any excess of receipts or of revenue should be applied to the reduction of the national debt, and those who, following the lead of the chairman of the House Committee on Ways and Means and the chairman of the House Committee on Appropriations, want to preserve the largest amount of excess revenues or receipts for the reduction of taxes. Republican leadership would give tax cut for big business priority over debt reduction.

When the distinguished Senator from California [Mr. KNOWLAND] offered his amendment in the Joint Committee on the Legislative Budget to provide that at least $3,000,000,000 of revenues in excess of expenditures should be applied upon the national debt, he met the argument from Republican leaders in the House and in the Senate that if the amendment were adopted it would make it practically impossible to reduce any taxes. So in the Joint Committee on the Legislative Budget the amendment of the Senator from California was voted down.

I glory, Mr. President, in the fact that the Senator from California had the courage to carry on the fight and to bring it upon this floor, to demand that whatever excess of revenue there might be should be applied upon the national debt, at least to the extent of $3,000,000,000.

The Senator from Georgia [Mr. GEORGE] speaking upon this floor yesterday, called attention to the fact, which no one can deny, that big business interests in this country are at this moment charging "everything that the traffic will bear," instead of reducing prices so as to make it possible for the people of the United States to buy the things which they need. These great enterprises which made billions of dollars out of the war are keeping their prices up, although the facts show that their profits in 1946 were substantially greater than their profits in 1945.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I shall be very glad to yield.

Mr. HAWKES. I should like to call the Senator's attention to a fact which is so definite and certain that nobody can possibly deny it or disprove it; namely that the profits of the corporations of the United States over a number of years have not shown more than 4 to 4½ percent net over all. I shall produce some figures which are very authoritative and which will prove what I am saying. In other words, American corporations have received on hazard investment and capital only a little more and, in some cases, less, than they could have gotten in savings banks.

Mr. O'MAHONEY. Mr. President, the United States Steel Corp. for the 5 years of the war was engaged in the hazardous business of selling the product of the

steel mills to the bondholders of America, to the taxpayers of America, to the people of America. They were facing a great hazard. I will say to the Senator from New Jersey that if he will refer to Moody on Banks and Business for their monthly earnings, he will discover that the United States Steel Co.'s earnings in 1946 were about 37 percent greater than they were in 1945.

THOSE WHO PROFITED MOST FROM WAR WOULD ALSO PROFIT MOST FROM INCOME-TAX CUT

What has been transpiring here? The distinguished Senator from Ohio [Mr. TAFT] offered an amendment to perfect, as was suggested, the amendment offered by the Senator from California [Mr. KNOWLAND] by reducing the amount that could be applied upon the national debt from $3,000,000,000 as proposed by the Senator from California, to $1,000,000,000. That amendment was designed to carry out the original plan to have as large an amount as possible applied not to preserve the soundness of the bonds of the United States, not to preserve the American fiscal system, but to reduce the tax burden upon those who are paying income taxes. That was the purpose. But it was quite evident, Mr. President, that there were a sufficient number of Republican Senators in this body who, when joined by the Democratic Senators, would see to it that the amendment offered by the Senator from Ohio could not possibly prevail. The rejection of that amendment was avoided by an agreement between the Senator from California and the Senator from Ohio by which the Senator from California agreed to change his amendment from $3,000,000,000 to be applied upon the national debt to only $2,600,000,000. In consideration of that the Senator from Ohio abandoned his amendment to reduce the amount to be applied upon the national debt to only $1,000,000,000.

What happened? The Senator from Nebraska [Mr. WHERRY] offered his amendment to provide that the receipts, not the revenues, to be derived from the sale of surplus property should also be applied upon the national debt. That was a sound, straightforward, clear-thinking amendment, because this surplus property already belongs to the United States. In no sense does it constitute any revenue. It is property that belongs to the people of the United States, in the form of surplus plants, in the form of guns, in the form of clothing, in the form of trucks, automobiles, and all of the materials which were manufactured during the war in order to win the war, and in the building and making of which those who will most benefit from the reduction of income taxes made profits beyond imagination.

Mr. HAWKES. Mr. President, will the Senator yield for a moment?

Mr. O'MAHONEY. I may say that the earnings of the Bethlehem Steel Co. likewise increased, not to the same extent as those of United States Steel, but perhaps only 18 percent. I may say that the earnings of du Pont de Nemours, that top-flight company which owns many of the concentrated enterprises of America, earned 52 percent more in 1946 than in 1945. Yet Senators upon the other side of the aisle say "Let us reduce the taxes of persons and corporations whose incomes have so greatly increased."

Mr. HAWKES. Mr. President, will the Senator yield for a moment?

Mr. O'MAHONEY. Yes; I yield.

Mr. HAWKES. I merely desire to finish the statement I rose to make. It can be proved beyond all question of doubt that all the profits the Senator has been talking about, and others are talking about, are in 50-cent dollars, and they are related to real invested dollars made by sweat and toil before the era of inflation. If credit is to be given to 50-cent dollars in connection with all the labor, wage and salary demands which have been made, then credit in 50-cent dollars must be given to the profits of corporations.

Mr. O'MAHONEY. I will say to the Senator from New Jersey that unless we begin now to reduce the national debt by every single penny we can gather, the bondholders will be paying in 100-cent dollars.

Let us be realistic about it. The debt this country now faces is $259,000,000,000, after a reduction of $20,000,000,000 made during the last year by the application by the present administration of excess cash to the debt. That action by the administration reduced the national debt from $279,000,000,000 to $259,000,000,000. But, Mr. President, that $259,000,000,000—two hundred and fifty-nine thousand million dollars—is ten times greater than the debt which was accumulated to fight World War I.

O Mr. President, we adopted the policy of income-tax reduction, instead of debt reduction, during the 12 years of Harding, Coolidge, and Hoover. Five times the Congress passed an income tax reduction law. Then the depression came. In March 1933, when there was a change of administration, the national debt of the United States was above $22,000,000,000. There had been no substantial reduction of the debt. So we found ourselves plunged into depression with a national debt which made the fight against depression difficult and hazardous, indeed. But in spite of all the spending that was carried on during the fight against the depression, we entered the recent war in 1941 with a national debt of less than $50,000,000,000. Twenty billion dollars has already been paid off. Suppose only $200,000,000,000 had been added for the purpose of fighting the war. If $5,000,000,000 a year were applied upon the war debt, it would take 40 years to pay it off. What are businessmen thinking of if they imagine that there can be any profit for them in reduced taxes while we permit the national debt to stay at the tremendous pinnacle it has reached? The very system of free enterprise is at stake, Mr. President. If we permit the greedy and the narrow-minded and the selfish to drive us into reducing taxes, now that the revenues of the United States are twice as great as they were at any time during the era of Harding and Coolidge and Hoover, we shall be destroying every effort to pay off the national debt.

TO CUT INCOME TAXES BEFORE REDUCING DEBT IS TO COURT DISASTER

Ah, Mr. President, we have not yet reached peace. The distinguished Presiding Officer of this body knows how narrow is the margin and how difficult the road to achieve permanent peace among the nations of the world. If we do not achieve peace, and achieve it speedily, all this talk about income-tax reduction will be merely idle gossip, meaning nothing. If we confront another crisis, either an economic crisis within our own borders or an international crisis beyond them, while this debt remains at $259,000,000,000, it will be impossible to preserve the American system, because we cannot see revenues decline again while the debt remains at this dizzy height.

O Mr. President, the Senator from California did a noble piece of work when, by standing by his guns, he brought about the support, upon the Republican side of his amendment to apply $2,600,000,000 to the national debt. But now it is proposed by the language inserted by the Senator from Ohio, but which will be stricken out if the amendment of the Senator from Maryland is adopted, to acquire more money to reduce taxes—less for the payment of the debt and more for the reduction of taxes. I say to you, Mr. President, and I say to all other Members of the Senate, that if we follow that policy, we shall be following a policy of driving the American free enterprise system down the hill to disaster.

Mr. President, I shall do what I can to support the amendment of the Senator from Maryland, and I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	Moore
Baldwin	Hatch	Morse
Ball	Hawkes	Murray
Barkley	Hayden	Myers
Brewster	Hickenlooper	O'Conor
Bricker	Hill	O'Daniel
Bridges	Hoey	O'Mahoney
Brooks	Holland	Overton
Buck	Ives	Revercomb
Butler	Jenner	Robertson, Va.
Cain	Johnson, Colo.	Russell
Capehart	Johnston, S. C.	Saltonstall
Capper	Kem	Stewart
Connally	Kilgore	Taft
Cooper	Knowland	Taylor
Cordon	Lodge	Thomas, Okla.
Donnell	Lucas	Thomas, Utah
Downey	McCarran	Thye
Dworshak	McCarthy	Tobey
Eastland	McClellan	Tydings
Ecton	McGrath	Umstead
Ellender	McKellar	Vandenberg
Ferguson	Magnuson	Watkins
Flanders	Malone	Wherry
Fulbright	Martin	White
George	Maybank	Wiley
Green	Millikin	Wilson

Mr. WHERRY. I announce that the Senator from Kansas [Mr. REED] and the Senator from Delaware [Mr. WILLIAMS] are necessarily absent, and that the Senator from North Dakota [Mr. LANGER] is absent by leave of the Senate.

The PRESIDENT pro tempore. Eighty-one Senators having answered to their names, a quorum is present.

Mr. CAPEHART. Mr. President, I have been sitting here all afternoon lis-

tening to the able Senators across the aisle lecture us on this side in respect to fiscal matters. I cannot understand how any Senator on the other side of the aisle, representing an administration which for the past 14 years has known so little about financial matters, which has known so little about how to balance the budget, which has created the greatest debt in the history of the Nation, which has taxed our people the highest sums in our history, which never once in 14 years ever balanced the budget, which will go down in history as being the most expensive administration in the history of the Nation——

Mr. BARKLEY. Mr. President——

Mr. CAPEHART. I refuse to yield at the moment. I do not see how Senators can stand over there and lecture us on this side, who have been in control for less than 2 months, trying to make provision to reduce a $260,000,000,000 debt, trying in some way to give the American people a little relief from onerous and burdensome taxes, trying to unscramble the confusion and to curtail the waste and extravagance of 14 years of Democratic administration. I am satisfied that the American people, the taxpayers, those who have paid these heavy taxes during the last 14 years, and who will have to pay them for the next 100 years, are getting a great chuckle out of the debate which is proceeding in the United States Senate this afternoon.

We on this side can well take care of ourselves, and we certainly do not want to be lectured by those who themselves have been so unsuccessful for 14 years in doing what we at least are trying to do, and have only about 7 weeks in which to do it.

WATER TRANSPORTATION SERVICE FOR ALASKA

Mr. JENNER obtained the floor.

Mr. MAGNUSON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from Washington?

Mr. JENNER. I am glad to yield.

Mr. MAGNUSON. I wish to ask that the Senate proceed to consider an emergency measure, which will take only 5 minutes.

Mr. JENNER. I refuse to yield for that purpose, because the debate will come out of my time.

Mr. MAGNUSON. I did not mean that it should come out of the Senator's time.

The PRESIDENT pro tempore. The Senator from Washington may ask unanimous consent that this emergency matter be considered in his own time.

Mr. JENNER. Then that is all right.

The PRESIDENT pro tempore. Without objection, the Senator from Washington is recognized for that purpose.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and the Senate proceed to the consideration of Senate Joint Resolution 65.

Mr. WHERRY. Mr. President, what is the resolution?

Mr. MAGNUSON. I shall explain it.

Mr. WHERRY. Very well.

Mr. MAGNUSON. I wish to have House Joint Resolution 122 substituted for the Senate joint resolution.

The PRESIDENT pro tempore. The Senator from Washington will proceed. The House joint resolution is not available at the moment.

Mr. MAGNUSON. I saw it at the desk a few moments ago.

Mr. TAFT. I object to the unanimous-consent request.

The PRESIDENT pro tempore. Objection is made to the unanimous-consent request by the Senator from Ohio.

Mr. MAGNUSON. Mr. President, I wish to say that this is an emergency matter involving Alaskan shipping. A similar joint resolution has been unanimously passed by the House of Representatives, and unanimously reported by the Senate Committee on Interstate and Foreign Commerce. It involves the extension of the authority of the Maritime Commission to act on Alaskan shipping on the expiration of its powers, which will expire tomorrow.

The House is waiting for the Senate to act. This is a matter that was acted on unanimously by the Senate committee and is very important. Unless prompt action is taken on the joint resolution, Alaskan shipping will close down on Monday, which, of course, would cause great hardship.

Mr. TAFT. The House joint resolution is not on the desk, and we cannot take action until it is.

Mr. MAGNUSON. I wanted to make the explanation so that when I rise again there will be no objection.

The PRESIDENT pro tempore. The House joint resolution is now available, and the clerk will state it by title for the benefit of the Senate.

The CHIEF CLERK. A joint resolution (H. J. Res. 122) to authorize the United States Maritime Commission to make provision for certain ocean transportation service to and from Alaska until July 1, 1948, and for other purposes.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the House joint resolution be substituted for the Senate joint resolution and be immediately considered.

The PRESIDENT pro tempore. The first question is whether the Senate will give unanimous consent temporarily to lay aside the unfinished business for the consideration of the measure to which the Senator from Washington refers. Is there objection? The Chair hears none.

The Senator from Washington now asks that the Senate proceed to the consideration of House Joint Resolution 122, which, the Chair is advised, has been reported today by the Senate Committee on Interstate and Foreign Commerce.

Mr. MAGNUSON. I ask unanimous consent for the immediate consideration of the House joint resolution.

Mr. TAFT. Is the House joint resolution the same as the Senate joint resolution?

Mr. MAGNUSON. Exactly the same.

Mr. TAFT. And the Senate joint resolution has been unanimously approved by the Committee on Interstate and Foreign Commerce of the Senate?

Mr. MAGNUSON. Yes.

Mr. TAFT. I have no objection.

Mr. WHITE. Mr. President, the joint resolution reported by the Senate Committee on Interstate and Foreign Commerce of the Senate is identical with the measure as it passed the House save in two particulars. Two amendments were offered in the committee, which were agreeable to the proponents of the joint resolution. They were persuasive with the other members of the committee; they had the approval of the Maritime Commission, and I think I am justified in saying they had the approval of the shipping interests of the country which are concerned with the situation in the North Pacific.

The joint resolution authorizes the Martime Commission to keep in operation various vessels in the Alaskan trade. I express the hope that there may be favorable consideration of the joint resolution at this time.

The PRESIDENT pro tempore. Is there objection to the consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Interstate and Foreign Commerce with amendments.

The PRESIDENT pro tempore. The clerk will state the amendments.

The amendments of the Committee on Interstate and Foreign Commerce were stated, as follows, on page 1, line 8, after the word "arrangements" to strike out "with American citizen operators deemed by the Commission" and insert "with American citizens operating American flag-line vessels deemed by the Commission," and on page 2, line 20, after the words "by the" to strike out "Commission for the use of the privately owned vessels, and" and insert "Commission for the use of the existing privately owned vessels, and in the case of vessels acquired subsequent to the enactment of this act an amount equivalent to 15 per centum per annum of the purchase price of said vessel plus capitalized betterments, and".

The amendments were agreed to.

The PRESIDENT pro tempore. The question is on the engrossment of the amendments and the third reading of the joint resolution.

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

THE LEGISLATIVE BUDGET

The Senate resumed the consideration of the concurrent resolution (S. Con. Res. 7) establishing the ceiling for expenditures for the fiscal year 1948 and for appropriations for the fiscal year 1948 to be expended in said fiscal year.

Mr. JENNER. Mr. President, I know that a freshman Senator is not supposed to think, much less talk, on the floor of this body, but I want to serve notice now on my distinguished colleagues on both

sides of the aisle that as a freshman Senator I am disgusted.

In the first place, it seems to me that there are many candidates for President on both sides of the aisle. I have heard from Senators across the aisle arguments for the reduction of the national debt in order to save our great Nation. To me, as a freshman Senator, that is refreshing, because I thought all the New Dealers had been so indoctrinated that they did not need to worry about a debt; the suggestion was the people merely owed it to themselves. So why should we be discussing here at all the reduction of the $259,000,000,000 debt, when we have been taught for the past 14 years that debt did not mean anything?

I am sorry that I even voted for the Knowland amendment; if I had an opportunity to change my vote I would do so now, because, as I see it, the attitude of the Senate, and particularly of the Senators on the other side is to prevent any debt reduction, and, furthermore, to prevent any tax reduction.

I deplore the differences which seem to be growing amongst the Senators on the other side. Their great President, whom, in spite of us, they are afraid they are going to elect for four more years, wanted to reduce the debt only $202,000,000, and yet the Senators cry their eyes out about a billion-dollar reduction proposed in the amendment of the Senator from Ohio. That is almost five times as much as President Truman wanted to reduce the debt.

I say in all sincerity, this is much ado about nothing. If we are going to reduce the debt and taxes, there is only one way to do it, and that is not to debate and discuss resolutions that show the attitude of Congress. The way to do it is by reducing the expenditures, and the way to do that is by efficiency in government. But the selfish attitude taken here indicates to me that it is going to take a tremendous effort to reduce either debt or taxes; and I say in all sincerity that to me tax reduction seems just as important as debt reduction. The tax structure imposed upon the Nation today is so burdensome that the free-enterprise system of America cannot continue if there should be the least bit of shaking of the national economy. I am afraid there are some on this floor who would not mind seeing the financial structure crumble.

I think the Nation's debt should be divided into its two proper categories. There is a debt that came about as a result of the war, and then there is another part of the debt which came about through New Deal boondoggling. I should like to see whatever funds are applied to the reduction of the debt applied in such fashion that the American people would know what they were paying, whether they were paying for a great war emergency, or whether they were paying for New Deal boondoggling.

We heard the slogan "Don't worry about the debt—you simply owe it to yourselves!"

Senators on the other side eulogized the Senator from California for his statesmanship in taking this great and noble stand. At least, if nothing has happened here by reason of these windy resolutions—that is all they are—we have converted those on the other side from the viewpoint of the New Deal to a concern about debt.

Mr. BREWSTER. Mr. President, I am happy that we have so many converts, as has been pointed out, to the philosophy of debt reduction. I am surprised that there should be any question regarding tax reduction, as I had understood that that was at least of some consequence.

In recent weeks, from both columnists and various sides, in Congress and outside, we have heard a good deal about the suggestion of a 20-percent tax reduction as being impossible in the extreme, and as something that only demagogs of the first water would dare even to suggest, particularly in a period preceding an election campaign.

Consequently I was interested to find in the records that there is distinguished sponsorship for the idea that not only can we reduce taxes by 20 percent, but that we can and should reduce taxes by 50 percent; and that particular policy was advocated on the eve of an election by none other than the Senator from Kentucky [Mr. BARKLEY] at that time the distinguished majority leader of this Chamber. I take the liberty to quote from the New York World Telegram of Friday, June 30, 1944, which, as I recall, it was an election year, the Senator was speaking in what I am sure was not an entirely nonpolitical forum, since it was before the Annual Independence Day Dinner of the Society of Tammany, in the National Democratic Club, New York.

I find this statement:

TAXES TO BE HALVED, BARKLEY ASSERTS

ALBEN W. BARKLEY, Democrat, of Kentucky, Senate majority leader and potential Democratic candidate for Vice President——

Mr. BARKLEY. Will the Senator yield?

Mr. BREWSTER. I am very happy to yield to the Senator.

Mr. BARKLEY. I am afraid that my potential candidacy was no more potential than that of the Senator from Maine.

Mr. BREWSTER. I am happy that the Senator from Kentucky refers to it, as, five times, distinguished Members on that side, beginning with the Senator from Arizona and ending with the Senator from Kentucky, have thought it proper or prudent to bring up that very matter.

Whether they think it has any relevance to existing facts, I think it would be well for at least some of the Senators to bear in mind their own potential candidacies of other years and perhaps exhibit that tenderness for political sensibility which would be justified by their own experience, when we were reliably informed that certain gentlemen were even going to retire from the Democratic Convention because of unforeseen developments that created dissension of a rather serious character. I am quite willing to drop the matter of potential candidacies of any sort, but I myself do not propose to be a target further for suggestions from that side of the Chamber, which are only aspersions upon the motives of Members of this Chamber, strictly forbidden by the rules.

I am simply reading the record.

Mr. BARKLEY. Mr. President, will the Senator yield further?

Mr. BREWSTER. If the Senator will wait a moment, I should like to finish this quotation. I shall then be happy to yield to him.

ALBEN W. BARKLEY, Democrat, of Kentucky, Senate majority leader and potential Democratic candidate for Vice President, declared last night that taxes will be reduced after the war by "at least 50 percent."

I shall be happy to have the Senator from Kentucky tell the Senate and the country when that pledge, made on the eve of the 1944 Democratic Convention, is going to be redeemed, and what he considers to be "after the war," and how the 50-percent reduction in taxes is going to be achieved.

Mr. BARKLEY. Will the Senator from Maine yield?

Mr. BREWSTER. I yield.

Mr. BARKLEY. I merely rose to suggest to the Senator that when I referred to his potential candidacy, which has been a matter of some comment in the public press and otherwise, I meant to cast no aspersions upon him. I did it merely because he had referred to what he called my potential candidacy of the past, which he did not regard as an aspersion nor as an impugnment of any motive.

I rose also to say that so far as I am concerned I intended to compliment the Senator from Maine, because I am strongly for him for the Republican nomination for Vice President. [Laughter.]

Mr. BREWSTER. I appreciate very much the sponsorship of the Senator from Kentucky. I suspect perhaps he thinks it may be the kiss of death. [Laughter.] That is not improper. I did not drag this subject in by the heels. It was only incidental to the report contained in the newspapers—in the New York World Telegram of that time. But I call the attention of the Senator from Kentucky to the fact that it was only four days ago that, when I was advocating certain measures on this floor in the debate, he dragged this particular suggestion in by the heels. It was peculiarly ungrateful—I blush when I say it—on the part of the Senator from Kentucky, because it was in 1944 that, as the Senator well knows, I gave my most enthusiastic support at a distinguished gathering to the nomination of the Senator from Kentucky for the Presidency, and now to suggest that I should retire to the Vice Presidency seems to be ingratitude in the highest degree. [Laughter.]

Mr. BARKLEY. That particular endorsement turned out to be the real kiss of death because I was not nominated.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Maryland [Mr. TYDINGS] striking out certain words from the amendment submitted by the Senator from Nebraska [Mr. WHERRY].

Mr. DONNELL. Mr. President, I think that in the debate this afternoon it is easily possible for us to overlook inadvertently the real effect of the motion made by the distinguished Senator from Maryland. I desire to address myself very briefly to his motion, as I under-

stand it, and to speak in opposition to it. I precede my remarks concerning the motion by a statement of recognition of the high ability and high integrity and high motives of my distinguished colleague from Maryland.

The motion, as I understand it, of the Senator from Maryland relates to certain language which was submitted by the distinguished Senator from Ohio [Mr. TAFT] as an amendment to the so-called Wherry proposal. It will be recalled that as a result of the action taken by the Senate this afternoon the so-called Knowland amendment was adopted in the following language:

It is the further judgment of the Congress that sound fiscal policy requires that not less than $2,600,000,000 of the excess of revenues over expenditures be applied toward reduction of the public debt during said fiscal year.

Mr. President, it will be observed that the effect of the amendment which was adopted is to agree upon the figure $2,600,000,000, or rather not less than that amount, to be applied toward the reduction of the public debt. There was then submitted by the Senator from Nebraska his amendment, which reads:

It is further declared to be the judgment of the Congress that all proceeds from the transfer or disposition of property under the Surplus Property Act of 1944, as amended, which are covered into the Treasury as miscellaneous receipts, should be applied toward reduction of the public debt.

Mr. President, it will be observed that the Senator from Ohio proceeded upon the theory and with the proper solicitude that the language offered by the Senator from Nebraska might and probably would increase by $1,000,000,000 the amount of debt retirement for which the Senate is this afternoon at least morally obligating itself. And thereupon the Senator from Ohio added, by his amendment, the language:

But any such reduction in the fiscal year 1948 may be counted as part of the $2,600,000,000 referred to in the preceding sentence.

It is this language offered by the distinguished Senator from Ohio to which the motion addressed by the eminent Senator from Maryland is directed.

Mr. President, it seems to me that a change of $1,000,000,000 by way of an increase in the amount fixed by action taken by the Senate earlier this afternoon upon the Knowland proposal is worthy of the most careful and thoughtful consideration. To my mind it is unwise to attempt by the action proposed in the Wherry amendment to increase by $1,000,000,000 the amount of retirement of obligations of debt to which the Senate would thereby obligate itself. So, Mr. President, it appears to me that the action suggested by the Senator from Ohio is sound and proper.

The motion made by the Senator from Maryland proceeds, as I understand it, at least in part, from his remarks, upon the thought that the Taft amendment in some way signifies a retreat by the Republican Party from the four and one-half billion dollars of savings below the President's budget, down to a smaller figure. I think the motion of the distinguished Senator from Maryland and my friend proceeds upon a misunderstanding or a misapprehension of the Taft amendment. The Taft amendment does not, as I read it—and I say so most respectfully—in any way amount to a retreat of one single dollar or any number of dollars below the savings contemplated to be affected by a reduction of four and one-half billion dollars in the President's budget.

In the first place, Mr. President, the four and one-half billion dollars of savings to which the Senate has already agreed in the action taken a day or so ago does not at all come from the portion of the action which is referred to by the Senator from Maryland or by the Senator from Nebraska or by the Senator from Ohio. The savings of four and one-half billion dollars below the President's budget comes from the earlier action in amending Senate Concurrent Resolution 7, which, as amended, reads as follows:

That it is the judgment of the Congress, based upon presently available information, that revenues during the period of the fiscal year 1948 will approximate $39,100,000,000 and that expenditures during such fiscal year should not exceed $33,000,000,000, of which latter amount not more than $25,100,000,000 would be in consequence of appropriations hereafter made available for obligation in such fiscal year.

Mr. President, the saving of $4,500,000,000 results by reason of the fact that the Presidential budget was $37,500,000,000 for expenditures, whereas the provision of Senate Concurrent Resolution 7, which I have just read, sets up the figure $33,000,000,000 of expenditures, a difference of $4,500,000,000. This portion of the resolution, the main portion of it so far as the extent of the language is concerned, and the first part of the resolution, as it is, is not the part at all to which either the Senator from Nebraska, the Senator from Ohio, or the Senator from Maryland addresses himself.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. DONNELL. With the consent of the Senator, I should like to complete this thought very briefly, and then I shall be glad to yield to the Senator for any questions I may be able to answer.

Mr. TYDINGS. Very well.

Mr. DONNELL. It seems to me, therefore, that the effect of carrying out what the Senator from Ohio proposes does not directly or indirectly have anything to do with the saving of $4,500,000,000. The reduction from thirty-seven and one-half billion in the President's budget to $33,000,000,000 in the Millikin amendment, as it was adopted, and therefore now in Senate Concurrent Resolution 7, still remains in effect; and nothing in neither the Wherry amendment, the Taft amendment, or the Tydings amendment would have the remotest connection with that saving of $4,500,000,000.

What is the effect of the motion made by the distinguished Senator from Maryland? It seems to me that clearly the effect of the motion, if it were to prevail, would be to strike out the Taft amendment and thereby to increase the amount of the reduction of debt upon which we have agreed this afternoon—$2,600,000,000—to an indeterminate figure which would be $2,600,000,000 plus—as the Wherry amendment provides—the proceeds from the sale of surplus property.

It is my understanding that the proceeds from the sale of surplus property are somewhere in the neighborhood of $1,000,000,000. Therefore, regardless of the excellent intention of the Senator from Maryland, the effect of the amendment which he now proposes would be to set aside the earlier action taken by the Senate this afternoon in favor of a reduction in the debt of $2,600,000,000, and substitute therefor, in all probability, a reduction for the year 1948 of $3,600,000,000.

What is the effect of the Taft amendment? As I understand—and if I am incorrect, I am sure I shall be corrected—the effect of the Taft amendment is to leave the amount of debt to be retired in 1948 at $2,600,000,000, except that if the proceeds from the sale of surplus property exceed $2,600,000,000, the amount of such proceeds from the sale of surplus property will be the amount of debt retired in 1948.

So, Mr. President, the Tydings motion proceeds upon what I deem to be the incorrect assumption that we are in some way reversing our motion up the hill, as he so dramatically and beautifully described this afternoon, and results in our coming down the hill. By reason of the fact that he is mistaken in that assumption, it seems to me that there is no reason for apprehension on the part of the Senate if we adopt the Taft amendment and reject the Tydings motion.

In the second place—and I close with this observation—its seems to me that it would be a decided mistake to adopt the Tydings amendment, because its effect would be, to say the least, to throw doubt upon whether the amount of debt to be retired is to be $2,600,000,000 or $2,600,000,000 plus approximately $1,000,000,000 of proceeds from the sale of surplus property. It seems to me that the doubt to which I have referred amounts, in fact, from the construction of the language, to a practical certainty that if the Tydings amendment were to be adopted the amount of debt reduction to which the Senate would have committed itself would be approximately $3,600,000,000, instead of $2,600,000,000, which was agreed upon only a few hours ago.

So I earnestly urge, notwithstanding the various branches into which the argument has digressed this afternoon—some of them of a more or less personal nature—that the Senate should not adopt the amendment proposed by the Senator from Maryland, but should see to it that by the adoption of the language of the amendment of the Senator from Nebraska, plus the modification suggested by the Senator from Ohio, we shall follow what we decided earlier this afternoon; namely, the figure of $2,600,000,000, with the exception that if the proceeds from the sale of surplus property exceed $2,600,000,000, the amount of such proceeds from the sale of surplus property will be the amount of debt retired in 1948.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. DONNELL. I promised to yield to the Senator from Maryland.

Mr. TYDINGS. Mr. President, has the Senator any further time? I should like to take the floor in my own right, so that I may answer the Senator and clear up any misunderstanding which may exist.

The PRESIDENT pro tempore. The Senator from Missouri has 6 minutes remaining.

Mr. TYDINGS. If the Senator will yield, I should like to ask him a question.

Mr. DONNELL. I am glad to yield.

Mr. TYDINGS. Is it the Senator's position that the $4,500,000,000 under discussion is to be gleaned from a cut in the expenses of the Government?

Mr. DONNELL. I take it that that will necessarily follow to a large extent, and perhaps entirely. But let me say that the $4,500,000,000 saving is the difference between the President's budget of thirty-seven and one-half billion and the $33,000,000,000 budget which the Senate agreed upon a few days ago.

Mr. TYDINGS. In other words, the Senator says that the expenses of the Government are to be cut by $4,500,000,000.

Mr. DONNELL. I should say that the expenditures, as stated in Senate Concurrent Resolution 7, will be $33,000,000,000 instead of $37,500,000,000, as set forth in the President's budget.

Mr. TYDINGS. We may be in agreement. What I wish to do first is to get a definition of what we are discussing. Let me ask the Senator if it is his understanding that, in addition to the $4,500,000,000 saving resulting from a cut in expenditures, another possible $1,000,000,000 is to come from the sale of war surplus property?

Mr. DONNELL. Let me state it in this way: My understanding of the resolution is that the judgment of Congress is that the revenues will approximate $39,100,000,000. I understand that the $39,100,000,000 includes approximately $1,000,000,000 of proceeds from the sale of surplus property. Then I understand that the saving which is to be effected between the President's figures and the Senate figures arises by reason of the fact that in his budget the President provided for expenditures of $37,500,000,000, whereas the Senate provided for expenditures of $33,000,000,000.

Mr. TYDINGS. Let me put it to the Senator in this fashion: Is the $1,000,000,000 of tentative receipts arising from the sale of war surplus property included in the $4,500,000,000 of savings?

Mr. DONNELL. I should say that that——

Mr. TYDINGS. Will the Senator please answer "Yes" or "No"?

Mr. DONNELL. I shall endeavor to answer the question. The $1,000,000,000 representing proceeds from the sale of surplus property is a part of the receipts or revenues; and the savings arise from the difference between expenditures and receipts. The $1,000,000,000 is not included in the expenditures. Expenditures are outlays. The $1,000,000,000 of proceeds from the sale of surplus property to which I refer is included in the receipts embraced in the $39,100,000,000.

Mr. TYDINGS. I have a very high regard for the Senator from Missouri, and I assure him that I am trying to understand his point of view as accurately as I can. Let me say to him that I am still confused. Perhaps he could clear up my confusion if he would tell me whether or not, in the $4,500,000,000 of contemplated savings set forth in the original resolution, as adopted, there is included $1,000,000,000 arising from the sale of surplus property, or whether it is not included?

Mr. DONNELL. I should say that the $1,000,000,000 from the sale of surplus property is included in the $39,100,000,000.

Mr. TYDINGS. That does not answer my question.

Mr. DONNELL. Oh, yes; it answers the question. No one can say that the saving comes from this fund or the other fund, unless the funds are earmarked for that purpose. The distinguished Senator need not assure me of his regard for me, because it is thoroughly reciprocated, and I am sure of his sincerity in proceeding here this afternoon. The answer to his question is that the saving of $4,500,000,000 is of course embraced within the thirty-nine and one-tenth billion, which includes approximately $1,000,000,000 of surplus-property proceeds.

Mr. TYDINGS. Mr. President, will the Senator further yield.

The PRESIDENT pro tempore. The time of the Senator from Missouri has expired.

Mr. TYDINGS. I wish to take time on the concurrent resolution.

The PRESIDENT pro tempore. The Senator from Maryland is recognized for 20 minutes on the concurrent resolution.

Mr. TYDINGS. Mr. President, in view of the levity indulged in a while ago, I wish to say with complete sincerity that there is no new Member of the Senate for whom I have a higher regard than I have for the Senator from Missouri, whose work I have watched for some time. I know that he is an able, sincere, and conscientious Senator and citizen. But I am confused, because if one of his premises in the argument which he just made is right, then his conclusion is wrong; or, to put it differently, if his premise is wrong, then his conclusion is also wrong.

Mr. DONNELL. Mr. President, I take it that the Senator thinks my conclusion is wrong in either event.

Mr. TYDINGS. No. It might be right if the Senator would define whether or not the $1,000,000,000 of savings resulting from the sale of war assets is included in or is excluded from the $4,500,000,000 set forth in the resolution. Surely he knows what he thinks about it. Will he tell me what he thinks about it?

Mr. DONNELL. Mr. President, it is impossible to segregate the four and one-half billion dollars into its component parts and say that so much of it comes from liquor taxes, so much from income taxes, so much from surplus-property proceeds. I repeat—and I think it is a correct answer—that the four and one-half billion dollars of savings results from the fact that instead of expending thirty-seven and one-half billion dollars of the $39,100,000,000 of revenues and receipts, under the plan agreed upon by the Senate we are to expend $4,500,000,000 less than $37,500,000,000, namely $33,000,000,000.

Mr. TYDINGS. Does the Senator consider that the sale of war surplus property to the extent of $1,000,000,000 constitutes a cut in the expenditures of the Government?

Mr. DONNELL. I would say, of course, Mr. President, that the sale of surplus property does not constitute a cut in expenditures, because the sale of the property results in an increase in the receipts.

Mr. TYDINGS. At least we have got hold of one end of the broomstick, namely, that if the $1,000,000,000 is included in the $4,500,000,000, then the savings is only three and one-quarter billion dollars.

Mr. DONNELL. I do not want to trespass upon the Senator's time, but I have not said at all that the $1,000,000,000 from the sale of surplus property is included in the four and one-half billion dollars. It is included in the $39,000,000,000; and the difference between the amounts to be received constitutes the four-and-one-half billion dollars.

Mr. TYDINGS. Now I have the complete answer of my good friend from Missouri. He does not claim that the $1,000,000,000 arising from the sale of war surplus property is within, and he does not claim it is without, the four and one-half billion dollars of proposed savings. As a matter of fact, from his remarks—and I say this with no desire to reflect on him—he has told me in so many words that he really does not know.

Mr. DONNELL. Mr. President, I beg the Senator's pardon. The surplus-property proceeds have no relation to the four and one-half billion dollars of savings. The $1,000,000,000 of proceeds from sale of surplus property goes into the receipts of $39,100,000,000. Under the plan proposed by the President, we were to expend $37,500,000,000. The $39,100,000,000, of course, includes the proceeds from the sale of surplus property. The Senate has decided that instead of spending $37,500,000,000 we are to expend only $33,000,000,000; and the savings will result by reason of that decision.

Let me say, if it will in any sense answer the Senator, that of course the more receipts that come in the greater the savings, and that the savings can be made greater and are greater by reason of the fact that the surplus-property receipts are contained therein. But the savings themselves consist merely of the difference between receipts and expenditures.

Mr. TYDINGS. I think the Senator, at the last try, has pretty well answered my question. At least he has given me the information which I wanted, but which perhaps I did not ask for in such fashion as to elicit it before, namely, that by a reduction in expenditures from $37,500,000,000 to $33,000,000,000 it is contemplated that there will be a saving of $4,500,000,000; and in addition, if there shall be receipts from the sale of war property such as are contemplated there will be a saving of $4,500,000,000; and in addition there will be receipts from the sale of war property which it is estimated will amount to approximately

$1,000,000,000. Therefore the Senator now proposes, as I understand the argument he makes, to reduce to the extent of $2,600,000,000 the amount that would have been applied to the payment of the war debt from the savings of $4,500,000,000. He proposes to reduce that by another billion dollars by taking out of the war surplus fund a billion dollars to be applied to payment on the national debt; so the net effect is that the amendment offered by the Senator from California contemplates that of the $4,500,000,000 of savings resulting from cutting the expenditures of the Government, $2,600,000,000 shall be applied to the national debt. By the adoption of the Taft amendment, if $4,500,000,000 is cut from the expenses of the Government, only $1,600,000,000 shall be applied to the payment of the national debt and $3,000,000,000, twice as much, shall be applied perhaps to tax reduction.

In order to perform on the trapeze and still pay something on the debt and make it appear that there is to be a $2,600,000,000 payment on the debt, by taking the money we already have out of one pocket and transferring it to another we keep up the illusion of paying $2,600,000,000 on the debt, when, as a matter of fact, what the resolution proposes to do is to pay only $1,600,000,000 on the debt. If the House should cut expenses by $6,000,000,000 we shall have in that category $4,400,000,000 for tax reduction and $1,600,000,000 for debt payment. That is the theory of the Taft amendment.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. TAFT. Is the Senator really serious? Is he unable to understand the difference between an asset and a liability?

Mr. TYDINGS. I hope I can understand the difference.

Mr. TAFT. Or is the Senator deliberately trying to confuse the Senate?

Mr. TYDINGS. No; I am not. I never was more serious.

Mr. TAFT. The Senator's statement is so absolutely impossible of comprehension that I cannot understand it at all.

Mr. TYDINGS. Mr. President, how much time have I left?

The PRESIDENT pro tempore. The Senator has 8 minutes remaining.

Mr. TYDINGS. I yield to the Senator, but I ask him not to make too long an argument in my time, because obviously I want an opportunity to answer him.

Mr. TAFT. The $4,500,000,000 comes out of various items—legislative, judicial, and executive. It comes out of the expenditures which the President intends to make. It has no relation whatever to surplus property.

Mr. TYDINGS. I agree with the Senator.

Mr. TAFT. If the Senator from Maryland agrees with that, then in no way is the figure $4,500,000,000 reduced to $3,000,000,000.

Mr. TYDINGS. There is no figure of $3,000,000,000 here; it is $2,600,000,000, if I understand correctly.

Mr. TAFT. The Senator's whole argument was that the amendment reduced the proposed budget cut from $4,500,000,000 to $2,600,000,000. Now I take it that the Senator recedes from that position.

Mr. TYDINGS. No; I do not; and I ask the Senator this question: If his contention is correct, and if this amendment does not take money from the receipts and use it for debt reduction, then why does he offer his amendment? Why does not he let the amendment of the Senator from California and the amendment of the Senator from Nebraska stand, without saying that such receipts shall be applied to debt reduction, if his contention is as he has stated?

Mr. TAFT. The effect of the amendment is perfectly clear. It is that from the total receipts of $39,000,000,000, we shall apply $2,600,000,000 to reduction of the debt. That is what the Senate decided earlier this afternoon.

If the Senate now strikes out these words and requires the application of these particular receipts to the debt, in addition to the $2,600,000,000, that will call for the application of $3,600,000,000 to the debt, which is not what the Senate wishes to do at this moment or what it wished to do earlier this afternoon.

The only effect of the Wherry amendment is to leave the $2,600,000,000 exactly where it is. If the sale of surplus property exceeds $2,600,000,000, and is $3,000,000,000 or $4,000,000,000, then $3,000,000,000 or $4,000,000,000 will have to be applied to the debt.

Mr. TYDINGS. I understand the Senator's position.

Mr. President, if I may have the attention of the Senator from California and the Senator from Nebraska, let me take the time remaining to me to ascertain whether what we started out to do will really be done. In the joint meeting of the two committees, the Senator from California offered a proposal that $3,000,000,000 of any savings must be applied on the debt. I supported him in the joint committee, and I also supported him on the floor of the Senate. In the Senate his amendment, after some modification, was finally adopted, carrying the figure $2,600,000,000.

Then the Senator from Nebraska rose and offered his amendment, namely, that the receipts arising from any sale of war surplus property in 1948 should likewise be applied on the national debt. It was the supposition, I believe, of the Senator from Nebraska—and as a result of his colloquy with the Senator from Ohio it was certainly the supposition of those on this side of the aisle—that in addition to the $2,600,000,000 of savings effected by the Congress which would come under this resolution, all receipts from the sale of war surplus property were likewise to be applied to the national debt. Then there was a colloquy between the eminent Senator from Nebraska and the able Senator from Ohio on that point, showing that there was a misunderstanding; and then I did not know whether the Senator from Nebraska had gone over to the point of view of the Senator from Ohio or not.

Mr. WHERRY. Mr. President, will the Senator yield to me?

Mr. TYDINGS. First I yield to the Senator from California who rose first; and then I shall yield to the Senator from Nebraska.

Mr. KNOWLAND. Mr. President, I simply say to my able colleague, the senior Senator from Maryland, that if he will recall what took place in our joint legislative committee hearings, he will remember that section 6 of the committee report, appearing on page 9, which we had before us on that particular day, contains language reading as follows, which was presented to us by the subcommittee:

> The committee recommends that a portion of the excess receipts over expenditures be applied on the public debt.

At that time in the committee I offered an amendment to change that language so as to read:

> The committee recommends that not less than $3,000,000,000 of the estimated excess receipts over expenditures be applied to the public debt.

So the provision, as thus stated, called for the application to the public debt of $3,000,000,000 of the excess of receipts over expenditures.

As I understand, the estimated receipts from the sale of surplus property appear in the list of receipts into the Treasury, under the heading "Miscellaneous receipts." So I do not see that the amendment of the Senator from Nebraska changes the legislative intent as expressed here today, because in no event will less than $2,600,000,000 of the excess be applied on the debt.

The only possible change which the amendment of the Senator from Nebraska, as modified by the amendment of the Senator from Ohio, can have is that if $3,000,000,000 worth of surplus property is sold in 1 year or if $4,000,000,000 of surplus property is sold in 1 year, the payments on the Federal public debt will be either $3,000,000,000 or $4,000,000,000 rather than $2,600,000,000.

For that reason, I am delighted to accept the amendment of the Senator from Nebraska.

Mr. TYDINGS. Mr. President, perhaps I can develop the difference that has arisen by asking the Senator a question; and I ask him to give a short answer to it, rather than a long one. My question is as follows: In the event the sale of surplus property amounts to $2,600,000,000, how much of the $4,500,000,000 saved by cutting expenses will then be applied to the payment of the national debt?

Mr. WHERRY. Mr. President——

Mr. TYDINGS. I ask the Senator from Nebraska to wait a moment, please.

Mr. WHERRY. Does the Senator ask me the question?

Mr. TYDINGS. No; I ask it of the Senator from California.

Mr. WHERRY. Oh; I beg the Senator's pardon.

Mr. KNOWLAND. I would say to the Senator——

Mr. TYDINGS. I ask the Senator from California to give me a brief answer to that question.

Mr. KNOWLAND. Just a moment, Mr. President. If the Senator from Maryland is going to ask me a question, I do

not wish to be asked to reply to a question similar to the one, "Have you stopped beating your wife? Answer 'Yes' or 'No.' "

Mr. TYDINGS. There is no "have you stopped beating your wife?" to this question. I repeat my question: If the sale of war-surplus property brings into the Treasury $2,600,000,000, and if the budget cuts amount to $4,500,000,000, how much of the $4,500,000,000 will then be applied to making payments on the national debt?

Mr. KNOWLAND. I say to the Senator from Maryland that in that event the situation will not be changed one iota from what it would have been if the Senator from Nebraska had never offered his amendment, because if $2,600,000,000 comes into the Treasury, instead of the $1,000,000,000 estimated, the receipts into the Treasury will merely be that much greater. So that will not change the situation or make one iota of difference in regard to the $4,500,000,000 of savings.

Mr. TYDINGS. Mr. President, the Senator from California has answered my question. The answer could have been given in one sentence, thus: In that event all the $4,500,000,000 will be available for tax reduction; and none of it, under this resolution, will be used to make payments on the national debt.

The original proposition of the Senator from California in the joint committee—and I now use his own words—was as follows:

> Mr. Chairman, I propose that $3,000,000,000 of any savings be applied to the liquidation of the national debt.

Mr. KNOWLAND. Mr. President, I do not like to dispute what has been said by my friend the Senator from Maryland, but I must say that I now hold in my hand the very paper which was presented to us on that day, on which I myself wrote the language of the amendment which I then proposed, and which I have since proposed in the Senate of the United States. It reads as follows:

> The committee recommends that not less than $3,000,000,000 of the estimated excess receipts over expenditures be applied to the public debt.

Mr. TYDINGS. I did not read the Senator's resolution, but I remember the words he used. Probably he used the words inadvertently. He will recall that I met him on the way out, and I told him I felt that if we could save $3,000,000,000 I should support his proposition.

The net result, after this long debate, is that at least we have this figure—namely, that if the sale of war surplus property brings into the Treasury $2,600,000,000, and if there is a $4,500,000,000 cut in expenses, there will not be any payment on the national debt larger than $2,600,000,000, and all the rest of the $4,500,000,000 will be available for any other purpose for which the Congress may wish to use it. That is what I have been trying to develop for the last 15 minutes.

Mr. KNOWLAND. Mr. President, will the Senator from Maryland yield?

Mr. TYDINGS. I yield.

Mr. KNOWLAND. The point is that under the amendment which the Senate adopted today by unanimous consent, it is provided that "not less than $2,600,000,000," and so forth. The Senate and the Congress still have in their hands the power to say how much, if any, tax reduction will be given, and we have within our control power to make a tax reduction, let us say for the sake of argument, of $1,000,000,000.

The PRESIDENT pro tempore. The time of the Senator from Maryland has expired.

Mr. KNOWLAND. The difference could be applied to the debt.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Maryland [Mr. TYDINGS] amending the amendment offered by the Senator from Nebraska [Mr. WHERRY].

Mr. TYDINGS. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Morse
Baldwin	Hawkes	Murray
Ball	Hayden	Myers
Barkley	Hickenlooper	O'Conor
Brewster	Hill	O'Daniel
Bricker	Hoey	O'Mahoney
Bridges	Holland	Overton
Brooks	Ives	Revercomb
Butler	Jenner	Robertson, Va.
Cain	Johnson, Colo.	Russell
Capehart	Johnston, S. C.	Saltonstall
Capper	Kem	Stewart
Connally	Kilgore	Taft
Cooper	Knowland	Taylor
Cordon	Lodge	Thomas, Utah
Donnell	Lucas	Thye
Dworshak	McCarran	Tobey
Eastland	McCarthy	Tydings
Ecton	McClellan	Umstead
Ellender	McGrath	Vandenberg
Ferguson	McKellar	Watkins
Flanders	Magnuson	Wherry
Fulbright	Martin	White
George	Maybank	Wiley
Green	Millikin	Wilson
Gurney	Moore	

The PRESIDENT pro tempore. Seventy-seven Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Maryland [Mr. TYDINGS] to strike certain words from the amendment offered by the Senator from Nebraska [Mr. WHERRY], which will be stated.

The CHIEF CLERK. It is proposed to strike from the Wherry amendment, as modified, the words "but any such reduction in the fiscal year 1948 may be counted as part of the $2,600,000,000 referred to in the preceding sentence."

Mr. TYDINGS. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. HATCH. On this vote my colleague the junior Senator from New Mexico [Mr. CHAVEZ] is unavoidably detained. He would vote "yea" if present.

Mr. WHERRY. I announce that the Senator from Kansas [Mr. REED] is necessarily absent and has a general pair with the Senator from New York [Mr. WAGNER], who is necessarily absent.

The Senator from Delaware [Mr. WILLIAMS] is necessarily absent.

The Senator from Nevada [Mr. MALONE] is absent on official business.

The Senator from North Dakota [Mr. YOUNG] is absent by leave of the Senate on state business.

The Senator from Wyoming [Mr. ROBERTSON] is necessarily absent on state business.

The Senator from South Dakota [Mr. BUSHFIELD] and the Senator from Delaware [Mr. BUCK] are necessarily absent; the Senator from New Jersey [Mr. SMITH] is absent because of illness; and the Senator from North Dakota [Mr. LANGER] is absent by leave of the Senate.

Mr. LUCAS. I announce that the Senator from Virginia [Mr. BYRD] and the Senator from Arizona [Mr. MCFARLAND] are absent on official business.

The Senator from California [Mr. DOWNEY] and the Senator from Oklahoma [Mr. THOMAS] are unavoidably detained.

The Senator from Connecticut [Mr. MCMAHON], the Senator from Florida [Mr. PEPPER], and the Senator from Alabama [Mr. SPARKMAN] are detained on public business.

The Senator from New York [Mr. WAGNER] is necessarily absent.

If present and voting, the Senator from Connecticut [Mr. MCMAHON], the Senator from Florida [Mr. PEPPER], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Oklahoma [Mr. THOMAS] would vote "yea."

The Senator from New York [Mr. WAGNER] has a general pair with the Senator from Kansas [Mr. REED].

The vote was recapitulated.

The PRESIDENT pro tempore. On this vote the yeas are 38, the nays——

Mr. TYDINGS. Mr. President, I ask for a recapitulation.

The PRESIDENT pro tempore. The Clerk will recapitulate the vote.

The vote was again recapitulated.

The PRESIDENT pro tempore. On this vote the yeas are 38——

Mr. TAYLOR. Mr. President——

Mr. TAFT. It is too late, Mr. President.

Mr. TYDINGS. Oh, no; it is not. The result has not been announced.

The PRESIDENT pro tempore. The Senator from Idaho is recognized.

Mr. TAYLOR. I vote "yea."

The result was announced—yeas 39, nays 38, as follows:

YEAS—39

Aiken	Holland	Myers
Barkley	Johnson, Colo.	O'Conor
Connally	Johnston, S. C.	O'Mahoney
Cooper	Kilgore	Overton
Eastland	Lucas	Robertson, Va.
Ellender	McCarran	Russell
Fulbright	McClellan	Stewart
George	McGrath	Taylor
Green	McKellar	Thomas, Utah
Hatch	Magnuson	Tobey
Hayden	Maybank	Tydings
Hill	Morse	Umstead
Hoey	Murray	Wilson

NAYS—38

Baldwin	Ecton	Millikin
Ball	Ferguson	Moore
Brewster	Flanders	O'Daniel
Bricker	Gurney	Revercomb
Bridges	Hawkes	Saltonstall
Brooks	Hickenlooper	Taft
Butler	Ives	Thye
Cain	Jenner	Vandenberg
Capehart	Kem	Watkins
Capper	Knowland	Wherry
Cordon	Lodge	White
Donnell	McCarthy	Wiley
Dworshak	Martin	

NOT VOTING—18

Buck	McFarland	Smith
Bushfield	McMahon	Sparkman
Byrd	Malone	Thomas, Okla.
Chavez	Pepper	Wagner
Downey	Reed	Williams
Langer	Robertson, Wyo.	Young

So Mr. TYDINGS' amendment to Mr. WHERRY's amendment was agreed to.

The PRESIDENT pro tempore. The question recurs on agreeing to the amendment offered by the Senator from Nebraska [Mr. WHERRY] as amended by the amendment just agreed to.

Mr. TYDINGS. Mr. President, I move to reconsider the vote by which my amendment was agreed to.

Mr. LUCAS. I move to lay that motion on the table.

The PRESIDENT pro tempore. The Senator from Maryland moves to reconsider the vote.

Mr. TAFT. On that motion I ask for the yeas and nays.

The PRESIDENT pro tempore. The Senator from Ohio asks for the yeas and nays on the motion to reconsider.

Mr. BARKLEY. On the motion to table.

The PRESIDENT pro tempore. The Chair has not yet received the motion to table. The yeas and nays are requested. Is the demand sufficiently seconded? Evidently it is. The clerk will call the roll on the question of reconsidering the vote by which the amendment of the Senator from Maryland was agreed to.

Mr. BARKLEY. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Kentucky will state it.

Mr. BARKLEY. Upon the offering of the motion to reconsider the vote made by the Senator from Maryland, the Senator from Illinois rose and moved to lay on the table the motion of the Senator from Maryland.

The PRESIDENT pro tempore. The Senator from Illinois did, without being recognized.

Mr. BARKLEY. The Chair did not recognize him?

The PRESIDENT pro tempore. The Chair did not.

Mr. RUSSELL. I now move to lay on the table the motion of the Senator from Maryland [Mr. TYDINGS].

The PRESIDENT pro tempore. The yeas and nays have been ordered.

Mr. TYDINGS. I withdraw my motion.

The PRESIDENT pro tempore. The Senator from Georgia is entitled to move to lay the motion on the table.

The question is on agreeing to the motion of the Senator from Georgia to lay on the table the motion to reconsider.

Mr. BARKLEY and Mr. BRIDGES asked for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. WHERRY. I announce that the Senator from Kansas [Mr. REED] is necessarily absent and has a general pair with the Senator from New York [Mr. WAGNER] who is necessarily absent.

The Senator from Delaware [Mr. WILLIAMS] is necessarily absent.

The Senator from Nevada [Mr. MALONE] is absent on official business.

The Senator from North Dakota [Mr. YOUNG] is absent by leave of the Senate on state business.

The Senator from Wyoming [Mr. ROBERTSON] is necessarily absent on state business.

The Senator from South Dakota [Mr. BUSHFIELD] and the Senator from Delaware [Mr. BUCK] are necessarily absent; the Senator from New Jersey [Mr. SMITH] is absent because of illness; and the Senator from North Dakota [Mr. LANGER] is absent by leave of the Senate.

Mr. LUCAS. I announce that the Senator from Virginia [Mr. BYRD] and the Senator from Arizona [Mr. MCFARLAND] are absent on official business.

The Senator from California [Mr. DOWNEY] is unavoidably detained.

The Senator from Connecticut [Mr. MCMAHON], the Senator from Florida [Mr. PEPPER], and the Senator from Alabama [Mr. SPARKMAN] are detained on public business.

The Senator from New York [Mr. WAGNER] is necessarily absent.

If present and voting, the Senator from Connecticut [Mr. MCMAHON], the Senator from Florida [Mr. PEPPER], and the Senator from Alabama [Mr. SPARKMAN] would vote "yea."

The Senator from New York [Mr. WAGNER] has a general pair with the Senator from Kansas [Mr. REED].

Mr. HATCH. I am authorized to state that my colleague [Mr. CHAVEZ], who is unavoidably detained, would vote "yea" if present.

The result was announced—yeas 40, nays 38, as follows:

YEAS—40

Aiken	Johnson, Colo.	O'Mahoney
Barkley	Johnston, S. C.	Overton
Connally	Kilgore	Robertson, Va.
Cooper	Lucas	Russell
Eastland	McCarran	Stewart
Ellender	McClellan	Taylor
Fulbright	McGrath	Thomas, Okla.
George	McKellar	Thomas, Utah
Green	Magnuson	Tobey
Hatch	Maybank	Tydings
Hayden	Morse	Umstead
Hill	Murray	Wilson
Hoey	Myers	
Holland	O'Conor	

NAYS—38

Baldwin	Ecton	Millikin
Ball	Ferguson	Moore
Brewster	Flanders	O'Daniel
Bricker	Gurney	Revercomb
Bridges	Hawkes	Saltonstall
Brooks	Hickenlooper	Taft
Butler	Ives	Thye
Cain	Jenner	Vandenberg
Capehart	Kem	Watkins
Capper	Knowland	Wherry
Cordon	Lodge	White
Donnell	McCarthy	Wiley
Dworshak	Martin	

NOT VOTING—17

Buck	McFarland	Smith
Bushfield	McMahon	Sparkman
Byrd	Malone	Wagner
Chavez	Pepper	Williams
Downey	Reed	Young
Langer	Robertson, Wyo.	

So the motion to lay on the table was agreed to.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Nebraska [Mr. WHERRY] as amended.

RECESS TO MONDAY

Mr. WHITE. Mr. President, I move that the Senate stand in recess until 12 o'clock noon on Monday next.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Maine that the Senate take a recess until 12 o'clock noon on Monday next.

Mr. LODGE. Mr. President, I should like to propound a unanimous-consent request. I ask unanimous consent that I be recognized at the convening of the session on Monday.

The PRESIDENT pro tempore. A unanimous-consent agreement has been entered into covering the limitation of time. The Chair will recognize the Senator from Massachusetts now, and he may yield, which is the usual practice, so the Senator from Maine can make his motion to recess.

Mr. TOBEY and Mr. BUTLER addressed the Chair.

The PRESIDENT pro tempore. The motion of the Senator from Maine is not debatable. The question is on the motion of the Senator from Maine that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 5 o'clock and 26 minutes p. m.) the Senate took a recess until Monday, March 3, 1947, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 28 (legislative day of February 19), 1947:

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Eugene R. Black, of New Jersey, to be United States executive director of the International Bank for Reconstruction and Development for a term of 2 years and until his successor has been appointed.

DIPLOMATIC AND FOREIGN SERVICE

The following-named persons for appointment as Foreign Service officers of class 3, consuls, and secretaries in the diplomatic service of the United States of America:

Patten D. Allen, of New York.
Carlos C. Hall, of Arizona.
John A. Hopkins, of Iowa.
Robert P. Joyce, of California.
C. Montagu Pigott, of California.
Arthur T. Thompson, of Iowa.
Harry R. Turkel, of California.

The following-named persons for appointment as Foreign Service officers of class 4, consuls, and secretaries in the diplomatic service of the United States of America:

Raymond F. Courtney, of Delaware.
Dennis A. Flinn, of Illinois.
William M. Gibson, of New York.
John Gordon Mein, of Kentucky.
Randall S. Williams, Jr., of New York.

Henry A. Hoyt, of California, for appointment as a Foreign Service officer of class 5, a consul, and a secretary in the diplomatic service of the United States of America.

Roy T. Davis, Jr., of Maryland, for appointment as a Foreign Service officer of class 5, a vice consul of career, and a secretary in the diplomatic service of the United States of America.

The following-named persons for appointment as Foreign Service officers of class 6, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Robert G. Bailey, of New Jersey.
Charles G. Stefan, of California.

SUPREME COURT OF PUERTO RICO

Borinquen Marrero Rios, of Puerto Rico, to be associate justice of the Supreme Court of Puerto Rico, vice Hon. Jorge Luis Cordova Diaz, resigned.

COLLECTOR OF CUSTOMS

James R. Wade to be collector of customs for customs collection district No. 45, with headquarters at St. Louis, Mo. (Reappointment.)

APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES

TO BE PROFESSOR OF ORDNANCE AT THE UNITED STATES MILITARY ACADEMY, WITH RANK FROM DATE OF APPOINTMENT

Col. John Will Coffey (lieutenant colonel, Ordnance Department), Army of the United States.

IN THE MARINE CORPS

The following-named officers to be second lieutenants in the Regular Marine Corps:

Eugene J. Ambrosio	James W. McIlwain
Robert S. Anderson	John D. McLaughlin
Herbert J. Bain	Merrill J. Melton
Frederick W. Baker, Jr.	Charles A. Meyer
Neil E. Barber	Rex Z. Michael, Jr.
Foster W. Blough	Jack L. Miles
Norman H. Bryant	Lester Miller
Lyle W. Bullard	Roland E. Miller
Thomas R. Burns	Mason H. Morse
Harrison M. Butler	Herbert A. Moses
John W. Carraway	Stanley A. Myzienski
James G. Costigan	John H. Papurca
Charlie J. Dunkley	Joseph A. Piedmont, Jr
Frank M. Fitzpatrick, Jr.	Ollie B. Porter
Homer D. Frison	Charles A. Read
Melvin K. Green	Augustine B. Reynolds, Jr.
Richard P. Grey	Edward L. Roberts
Robert Hall	George C. Schmidt, Jr.
Ernest C. Hargett	Clarence R. Stanley
LeRoy C. Harris, Jr.	Richard E. Stansberry
Joe L. Hedrick	Charles S. Stribling
William J. Heepe	Alfred C. Taves
Hermann Heinemann	David S. Taylor
John V. Huff	Earl W. Thompson
Clarence M. Hurst	Owen I. Thompson
James D. Jordan	Homer E. Tinklepaugh
Jack F. Kelly	William P. Vaughan
James F. King	Alan J. Warshawer
Harold R. Kurth, Jr.	James O. Webb
George E. Leppig	Marshall A. Webb, Jr.
Alan E. Lowry	Edgar D. Webber
Henry A. Maas, Jr.	William S. Witt
James P. Mariades	Edward A. Wilcox
Walter D. Maskall	Wallace L. Williamson
John C. McClelland, Jr.	Kermit M. Worley
Robert H. McCormick	John R. Wyatt, Jr.
Burd S. McGinnes	

WITHDRAWALS

Executive nominations withdrawn from the Senate February 28 (legislative day of February 19), 1947:

POSTMASTERS

Mrs. Sara Devine to be postmaster at Copper City in the State of Michigan.

Mrs. Helen D. Burbridge to be postmaster at Alligator in the State of Mississippi.

HOUSE OF REPRESENTATIVES

FRIDAY, FEBRUARY 28, 1947

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Touch that strange power within us, O God, that will steel our faith in Thee by a settled and a steadfast will. Make us invincible in the presence of every temptation, counting no struggle too great and no sacrifice too costly to fulfill Thy law and our obligation to the Republic. Make us great in mind, strong in principle, pure in spirit, and, above all, enlarge our capacity for joy, for service, and for the consideration of all men. Bless us with the virtues of resistance and restraint, for these give form and force to blameless character. Dignify this day with duty wisely performed, for herein lies true nobility of soul. O blow, ye winds, and fill the sails of our great Ship of State, and send us on and on to our ultimate task and our final triumph. In Jesus' name. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD in three instances; in one to include an address by Hon. Herbert Hoover; another relating to the shortage of copper; and another relating to the budget; and to include therein an article appearing in the Times-Herald this morning.

Mr. GRAHAM asked and was given permission to extend his remarks in the RECORD and include a short editorial.

PERMISSION TO ADDRESS THE HOUSE

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. WHITTINGTON addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. HOWELL asked and was granted permission to extend his remarks in the RECORD and include a copy of a letter written by John McCann, president of the International Union, Progressive Mine Workers of America, to Hon. ROBERT A. TAFT.

Mr. SEELY-BROWN asked and was granted permission to extend his remarks in the RECORD and include certain printed material.

Mr. STEVENSON asked and was granted permission to extend his remarks in the RECORD and include an editorial from the La Crosse Tribune, of La Crosse, Wis.

Mr. SMATHERS (at the request of Mr. SIKES) was granted permission to extend his own remarks in the RECORD.

SPECIAL ORDER GRANTED

Mr. SADOWSKI. Mr. Speaker, I ask unanimous consent that today, after the conclusion of the regular business and any other special orders heretofore granted, I may address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

ARMED FORCES IN KOREA

Mr. OWENS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. OWENS. Mr. Speaker, I have just received a letter from a man in Chicago whose son is a soldier in Korea. He enclosed with his letter an article from the Chicago Daily News of February 22, 1947, which he says is a letter from a GI which expresses the thoughts of his son and other boys in Korea.

The letter follows:

Who is it that said the American Army is the best-fed, best-clothed, and best-supplied army in the world? That person should visit the Army camps in Korea.

Conditions here are definitely not good. The food is poor and insufficient, the heating is bad, baths are taken out of our helmets, the PX is poorly supplied, and the lighting is not good.

Is this the peacetime Army or the wartime Army? There is no excuse for poor conditions like this in a United States Army camp, even if it is in far-away Korea.

We are here to do a job in the occupation army. We can't do this job if we are unable to live like men. We're not animals but men. We're the brothers of you men and women that live in the finest country in the world and deserve better living conditions.

Please publish this letter. The public must know how their Army is being treated.

A GI IN KOREA.

I submit our Army has had plenty of money to take care of a matter like this. Our boys should receive the best treatment in Korea, not only because it is just and right but because it will act as a good example to the people of Korea, to whom we are trying to present a picture of our American way of life. If we cannot take care of our boys over there, then let us bring them home from Korea.

The SPEAKER. The time of the gentleman from Illinois [Mr. OWENS] has expired.

APPROPRIATIONS FOR SMALL AIRPORTS

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I want to call attention to a telephone conversation I have just had with some people representing the smaller airports in my district. There is a rumor abroad that some gentlemen in another body not very far from here, at the other end of the Capitol, are desirous of taking away $45,000,000 that was given the Civil Aeronautics Administration, that was intended to be allotted to the small airports of the country, the small communities of this country; this would take that money into the big airfields of the large cities such as Washington, New York, Chicago, Boston, and so forth. When it comes to the big boys getting the money for the big cities of this country and taking it away from all of our small communities, we should just let them know that we are here to fight. We are not going to let them take that money already appropriated from the small communities, where it belongs, where it was appropri-

ated to assist in an effort to promote aviation all over the United States, and give it to the great cities. It is not right. It is not just, and we will not permit it.

I am for the smaller airfields in this $79,000,000 appropriation of the Seventy-ninth Congress, to be awarded in accordance with the act as the Civil Aeronautics Administration is supposed to award the money and in accordance with the agreements already made by the Department, so that many smaller airports can be built in small communities and that other airports already in existence can be improved. I am for the small towns as against the great large city airports. I am for the small businessman as against the great large corporations. I am for the small airports to get a start. Let us build up aviation all over the country in every town that is willing to maintain and support an airport. He who strives to divert these funds will come to grief, let me warn you now. If the bill was right last year it still is good legislation.

The SPEAKER. The time of the gentleman from Pennsylvania [Mr. RICH] has expired.

EXTENSION OF REMARKS

Mr. KLEIN asked and was given permission to extend his remarks in the Appendix of the RECORD and include a memorandum prepared by the New York Housing Authority.

Mr. RIVERS asked and was given permission to extend his remarks in the RECORD and include a statement by the American Medical Association.

Mr. FORAND asked and was given permission to extend his remarks and include an editorial.

Mr. LANDIS asked and was given permission to extend his remarks in the RECORD and include excerpts from letters and other material.

Mr. FOOTE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter on the subject of the Federal income tax.

AMENDING THE HOUSING ACT TO MEET INCREASED COSTS

Mr. KLEIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KLEIN. Mr. Speaker, I have introduced a joint resolution today amending the United States Housing Act of 1937 by exempting certain contract and cost limitations. This applies to low-income housing projects which I am sure are being built or have been contracted for throughout the country. With building costs rising so extremely high it is impossible to complete these projects based upon contracts made in 1937. My resolution would amend the act so that new contracts can be made at today's prices so that these projects may be continued to completion. The localities and cities where they are under construction cannot finance these projects themselves. It is up to the Federal Government to help out, so that the veterans and others who have no homes may be adequately housed.

Under leave to extend my remarks in the Appendix of the RECORD, I have inserted a memorandum explaining my resolution. I trust the Members will read it.

THE FERTILIZER SHORTAGE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, I desire to endorse what my distinguished colleague from Mississippi [Mr. WHITTINGTON] said a few moments ago.

The people in this country who as a rule sent the largest percentage of their sons to the war were the farmers. Very few of them are exempted.

Those sons are back home now trying to work. They are not asking for sit-down money, and the majority of them cannot go to college. As a rule they are not engaged in any job training. They are back at home at work, and I am opposed to taking fertilizer away from the American farmers and sending it to other countries throughout the world.

While I am on the subject I want to say to you that I am opposed to going down into the pockets of the American taxpayers to get money to feed and clothe every lazy lout from Tokyo to Timbuktu and taking away from our farmers the fertilizer necessary to enable them to make a crop.

Let us look after the American people first.

PROGRAM FOR THE WEEK OF MARCH 3

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute in order that I may ask the gentleman from Indiana [Mr. HALLECK] what we may expect as a program for next week.

Mr. HALLECK. I will be glad to respond to the gentleman's suggestion. This statement as to what the program will be for next week will depend upon certain committee actions which I think probably will come along so that these matters can be reached.

On Monday we will call the Consent Calendar. There are a number of bills on this calendar. We want to take care of them.

On Tuesday we will call the Private Calendar, and in addition it is hoped we can call up H. R. 2102, a bill from the Committee on Agriculture providing a 6 months' extension and final liquidation of the farm labor-supply program. We also shall consider House Resolution 118, reported by the Rules Committee, to give the Committee on Expenditures certain investigatory powers.

It is our plan to adjourn from Tuesday to Thursday.

On Thursday, if the bill is reported and the rule granted, we propose to take up House Joint Resolution 140, to restore to the now designated "Boulder Dam" the name "Hoover Dam," which it originally carried. We also hope to call up H. R. 1327, which has been reported by the Veterans' Affairs Committee, providing for a renewal of the 5-year level-premium term insurance for veterans. Also on Thursday we hope to call up House Resolution 120, which is before the Rules Committee, a resolution to authorize the Committee on Veterans' Affairs to carry on certain investigations.

Unless something unforeseen should develop, it is our plan to adjourn from Thursday to Monday.

Mr. RAYBURN. I thank the gentleman.

THE BOXCAR SHORTAGE

Mr. O'HARA. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. O'HARA. Mr. Speaker, one of the most alarming conditions in the country is the boxcar shortage. Because of this shortage, and because proper consideration has not and is not being given to diverting sufficient boxcars for the movement of high-moisture corn before mild weather commences, between 100,000,000 and 200,000,000 bushels of this corn in the Midwest and Northwest is about to spoil. As a matter of fact, I have recently received a sample of corn showing that some of it is in a highly moldy condition.

In addition to the general shortage of boxcars, one of the principal difficulties has been that the boxcars which belong to railroads of the Midwest and Northwest are being used in other parts of the country and are not being returned. On February 4 I called a conference of the Members of Congress from six of the Midwest States to meet with Mr. W. C. Kendall and Mr. R. V. Fletcher, president of the Association of American Railroads, in an effort to get some action on this matter. Subsequent to that meeting I was assured by Mr. Kendall that the boxcars necessary would be provided. However, from very recent information I have received, it appears that the boxcar situation has not improved to any appreciable degree.

I charge that it is the responsibility of those in authority, from President Truman down, to see that the necessary boxcars are provided in time to move this high-moisture corn so that it is not lost to the American people and a starving world.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries.

EXTENSION OF REMARKS

Mr. McCORMACK asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. TOLLEFSON asked and was given permission to extend his remarks in the RECORD in two instances and include an editorial and a memorial.

REGULATING THE RECOVERY OF PORTAL-TO-PORTAL PAY

Mr. MICHENER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 2157) to define and limit the jurisdiction of the courts, to regulate actions arising under certain laws of the United States, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 2157, with Mr. JENKINS of Ohio in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. For the information of the Committee, the Chair may say that the first section of the bill was read yesterday for amendment. If there are no amendments to be offered to section 1 the Clerk will read.

The Clerk read as follows:

SEC. 2. Every claim, cause of action, and action for the recovery of wages, overtime compensation, penalties, or damages (actual, liquidated, or compensatory), pursuant to any of the laws of the United States mentioned in section 5 hereof shall be subject to the following limitations and conditions:

(a) Hereafter no such action shall be maintained unless the same is commenced within 1 year after such cause of action accrued.

(b) No such claim or cause of action which had accrued prior to the effective date of this act, and which would otherwise be barred by subsection (a) hereof, shall be maintained unless action thereon is commenced within 6 months after the effective date of this act: *Provided, however,* That this subsection shall not be construed to revive or extend any claim or cause of action which but for the enactment of this act would have been barred by any statute of limitation applicable to such action.

(c) An action shall be deemed to have been commenced as to any individual claimant as of the date when such claimant is named in such action as a party thereto.

(d) If at any time within such 1-year period or 6-month period, as the case may be, process may not be served on the person liable by reason of his absence from the United States, the period of such absence shall be disregarded in computing the applicable period.

(e) In any action, whether or not commenced prior to the effective date of this act, the employer may plead and prove that the act or omission complained of was done or omitted in good faith consistent with, required by, or in reliance on any decision of a court of record in connection with which such employer was a party in interest, or any administrative regulation, order, ruling, interpretation, approval, enforcement policy, or practice.

Such a defense, if established, shall be a bar to the action, notwithstanding that after such act or omission, such decision, administrative regulation, order, ruling, interpretation, approval, enforcement policy, or practice is modified, rescinded, or determined by judicial authority to be invalid or of no legal effect.

(f) Any claim, cause of action, or action may be compromised, adjusted, settled, or released, in whole or in part, either before or after commencing such action by the person entitled to bring such action. Any such compromise, adjustment, settlement, or release according to the terms thereof, and in the absence of fraud or duress, shall be a complete satisfaction of such claim and a complete bar to any action based on such claim. No such claim, cause of action, action, or interest therein, shall be the subject of lawful assignment. The provisions of this subsection shall also be applicable to any compromise, adjustment, settlement, or release heretofore so made or given.

(g) In any action pursuant to any of the acts mentioned in section 5 hereof, the court, if it finds that the violation of the law giving rise to such action was in bad faith and without reasonable ground, may, in its sound discretion, award not to exceed the amount specified as penalty or damage in the law under which such action arises.

Mr. CELLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CELLER: Page 3, line 17, after "within", strike out "1 year" and insert "2 years."

Mr. CELLER. Mr. Chairman, the effect of this amendment would increase the statute of limitations from 1 year to 2 years. I would ask the Members of the House to do in this Congress what you did in the last Congress when you adopted the Gwynne bill, namely, establish the statute of limitations longer than 1 year. In the last Congress we voted for a 3-year statute. In my humble opinion if you leave it at 1 year you will emasculate the act so as to render it quite impotent, particularly for those workers who do not have the benefit of the advice and counsel ready available from some lawyer of a labor organization. I refer specifically to the vast army of employees who are not in unions.

Now, there is a veritable hodgepodge of laws throughout the States with reference to the time within which claims may be brought for compensation for wages under the basic Wages and Hours Act. We failed in the basic act to provide a statute of limitations. Therefore the various States passed their own acts. These statutes vary from 1 year to 6 years to 8 years. It is a veritable mishmash, and it is very essential that we establish some uniformity. The question is, What price uniformity? Will we bolster up the Fair Labor Standards Act by making it possible for a worker to know his rights and to be able to enforce them within a reasonable time? Will you do that with a 2-year statute of limitations or will we so narrow the time to 1 year so as to make it quite impractical for the worker to know and sue in time? Will we deny the worker his rightful reward for productive work by a fairly reasonable statute of limitations, or will we make sure that some chiseling employers—and there are some—can successfully euchre their employees out of compensation for work done by dodging and by stalling for at least a year? Then the production work prior to the 1 year which should be compensated for remains unpaid and the employer cannot be made to pay. The money, as far as the employee is concerned, goes down the drain, as it were, if the statute of limitations of 1 year would apply. One year is entirely too short. It is very significant that the States that have had most experience with these matters, the States where there are the greatest number of workers, do not provide for a statute of limitations of 1 year. We find 6 years in the States of New York, New Jersey, and Pennsylvania, and 3 years in Ohio and California.

I offer a compromise. I would prefer 3 years, and I think a substitute will be offered to make it 3 years, but I urge upon you to be reasonable to the workers in this regard and set a reasonable time limit. I think a fair time limit would indeed be 2 years. Otherwise the bad employer can gamble, he can take his chances, and instead of abiding by the Minimum Wage Act and paying 40 cents an hour, he can pay 20 cents an hour. He can do that for 4 or 5 years before they catch up with him, and then for 1 year back he might have to pay the 40 cents as provided in the Minimum Wage Act, but for all the prior years he would be absolved from obligation to abide by a solemn act which we solemnly passed in this Chamber.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Indiana.

Mr. HALLECK. If the employer is in violation of the act, does not the gentleman think that either the administrative agency or the man or men affected ought to be able to determine within a year that he is so violating the act, and hence bring their suits to correct it?

Mr. CELLER. The Administrator of the Wage and Hour Division of the Fair Labor Standards Act testified that there are over 500,000 establishments covered by the act, and it takes from 10 to 12 years with his present staff to make the proper inspections. So a chiseling employer could wait 3 or 4 years and, when he is examined and inspected, then pay back wages for 1 year that were due the employee, and then go on chiseling again, taking his chances that maybe he would not again be examined for another 6 or 7 or 8 or even 10 years.

What is the Senate doing? The chairman of the Judiciary Committee has offered a bill which provides for a 2-year statute of limitations. I think we should follow suit.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the distinguished chairman of the committee.

Mr. MICHENER. I wonder if the gentleman has lost sight of the fact that a penalty applies, and that there is also a criminal action possible under the law. I can hardly conceive that the employer is going to delay the matter—to be a chiseler, as the gentleman suggested—when he knows that if he is wrong he pays a double penalty, plus what he owes, and is subject to criminal prosecution.

Mr. CELLER. I defy the gentleman from Michigan to tell me of one case where there were criminal proceedings brought against a so-called euchring or chiseling employer.

Mr. MICHENER. There is a difference between possibilities and what happens.

Mr. CELLER. But there has been no criminal proceeding.

Mr. MICHENER. If the gentleman had asked me 6 months ago if there would be any of these portal-to-portal suits where there was a collective-bargaining contract, I would have said, "Certainly not."

Mr. CELLER. I desire to protect the low-income worker—usually a nonunion man. He is usually uninformed. He has not the advantage of information usually open to union men.

It takes him more than a year to know his rights. By the time he becomes aware of his claims, the year has set in.

He must rely upon information given him by the Wage and Hour Division. That Division must, with insufficient staff, inspect 550,000 establishments under the basic act. That will take from 10 to 12 years. Bad employers can gamble on the chance that it will take years before his plant will be inspected.

The pending Senate bill provides 2 years. We passed the Gwynne bill last year with a 2-year statute of limitation, and the Senate raised it to 3 years.

A 1-year statute would be a rank discrimination against labor.

The Fair Labor Standards Act did measurably succeed in stamping out the blights of excessive hours and inadequate pay. It advanced the public interest by improving the lot of the worker, by increasing purchasing power, by improving health of workers, by advancing the Nation's economy.

Kill bad so-called portal-to-portal suits, but in doing so do not eviscerate the Fair Labor Standards Act. One-year statute of limitations will do just that.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GWYNNE of Iowa. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this raises one of the questions about which there is difference of opinion in the committee and in the House and probably in the country. That difference of opinion as to what the statute of limitation should be is in the minds of people who very firmly believe there should be a limitation. I think the limitation should be 1 year, as the committee fixed it. All I want to do now is point out the reasons why I think a short statute of limitations should be fixed.

Let us bear in mind that this limitation applies only to statutory actions, which seek to recover not only the minimum wages or the overtime compensation but an additional amount as liquidated damages, and attorneys' fees and costs. It applies to that action which cannot be settled under existing law and as to which the court has no discretion in the assessment of the liquidated damages.

Someone has said here that we are making a different rule for the worker suing for his wages than we are for the grocer suing for his grocery bill. Nothing could be further from the truth. We are now proposing to put the employee in exactly the same position as the grocer and every other person in this country. If the grocer should be given a special action which would allow him to recover not only the amount of his grocery bill, but an equal amount as liquidated damages and attorney's fees and costs, and in addition have created some officer of the Federal Government who had the power to secure injunctions and institute criminal prosecutions, then you would have an analogous situation, and I would say that the 1-year limit should apply to that statutory action for the grocer. We have always followed that policy, not only in this Congress, but in State legislatures. Where we have given a special drastic cause of action or we have given a man a sharp sword, we have said, "You must use that quickly or not at all."

Here is an illustration. When we passed the Price Control Act, allowing ceilings to be placed on prices of commodities, those ceilings entered into every contract throughout the land, and if someone in Iowa overcharged me I could at that time sue him for the amount of the overcharge. I could sue him within 5 years, the time allowed me under the statute. But Congress thought that remedy was not sufficient, so we gave to the person overcharged a special drastic remedy, just as we are giving here to the employee, whereby the person overcharged could recover $25. But we included in that law a provision that the person must exercise that right within 1 year. We do the same thing in the case of mechanics' liens. Someone has said that we are providing a shorter statute than the average throughout the country. They say the average now is 3.8 years. Let me tell you how they arrive at that 3.8. Of course, you will understand, when there is no Federal statute, the district courts in applying the law must look around and find some State statute which applies. In my State they applied the 5-year general statute covering oral contracts. In Maryland they applied the 12-year statute. To get away from that obvious injustice which Congress had refused to correct, the State legislatures moved in, and if you are interested in knowing what your State legislatures thought about this you will find the information in the table on page 159 furnished by Mr. Walling during the hearings on H. R. 2788. The table shows that since 1938, which was the effective date of the wage-hour law, 11 States have reduced the period of limitations. Two States have reduced it to 3 years. One was Maryland, which reduced it from 12 years to 3 years. Three States have reduced the statutory period to 2 years, and six States have reduced it to 1 year or less. Incidentally, I found no case, as was indicated here yesterday, where any court has held that 1 year is unconstitutional or unreasonable. They have held some statutes unconstitutional but have done so not because of the time element involved, which they have pointed out is a matter for the legislative body, but they have held those statutes bad because they sought to discriminate between actions under the Federal law and actions under State law.

I think this 1-year period of limitation is reasonable and should stay in the law.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE of Iowa. I yield.

Mr. RANKIN. Can the gentleman give us that citation again?

Mr. GWYNNE of Iowa. That is on page 159 of the hearings on H. R. 2788, the bill which was before the Committee on the Judiciary in 1945.

Mr. RANKIN. Is that the same list on page 82 of the hearings on this bill?

Mr. GWYNNE of Iowa. I cannot say as to that.

Mr. RANKIN. Will the gentleman insert the list in the RECORD so that we will have it before us?

Mr. GWYNNE of Iowa. I will be glad to insert the list.

The CHAIRMAN. The time of the gentleman from Iowa has again expired.

Mr. WALTER. Mr. Chairman, I offer a substitute, which is at the Clerk's desk.

The Clerk read as follows:

Substitute amendment offered by Mr. WALTER for the amendment offered by Mr. CELLER: On page 3, line 17, strike out "1 year" and insert "3 years."

Mr. WALTER. Mr. Chairman, my distinguished friend the gentleman from Iowa [Mr. GWYNNE] called to the attention of the committee the statutes of limitations in the several States. I, too, want to call your attention to those statutes. They are listed on page 82 of the hearings on the bill now under consideration. It is significant to note that in all of the States there are 13 statutes of less than 3 years and 35 statutes providing a limitation of 3 years or more, up to 8 years.

Now, it seems to me unfair that we should single out this particular type of ex contractu actions and fix the statute of limitations at 1 year. In most States the statutes are about 5 years. The national average, even considering the State of Iowa where the statute was for 1 year and which, incidentally, was declared to be unconstitutional—taking the average of all of the States of the Union the average is 3.8. I just cannot see how we can justify cutting the period within which a worker may proceed against an unscrupulous employer to 1 year. We must bear in mind this very important fact, that in this bill we have provided a complete defense for anyone who does not willfully violate the wage-hour law. It would be a very simple matter for unscrupulous employers—and unfortunately there are a great many of them in this country—through subterfuge, deceit, or any kind of device, to prevent their employees from receiving that to which they are entitled under the Wages and Hours Act.

I do not know whether there have been many cases where employers who have complied with what they honestly believed the law to be have been injured, except insofar as this wave of portal-to-portal suits is concerned, and I would like to call your attention to the testimony of Mr. Smethurst, who appeared for the National Association of Manufacturers. On page 448 of the hearings on this bill, near the bottom of the page, he said:

If you give more than a year there ensues an advantage in not raising questions of violation, because of the effect of the double damage section of the act.

That was the reason why he insisted on the period of 1 year; but I submit to you we have removed the question that he raised by providing in the courts some discretionary power in the imposition of penalties. So that no longer would it be

to the advantage of the employee to refrain from bringing his action in a proper suit.

On page 449, in interrogating the representative of the National Association of Manufacturers, the distinguished chairman of the subcommittee which reported this bill made this statement:

Mr. GWYNNE. Well, at least if the court would consider the good faith of the employer, and measure the amount of the liquidated damages by that yardstick, it would help a great deal, would it not?

Mr. SMETHURST. I think it would help tremendously.

And it was because of that that we endeavored to clothe every reputable employer with the protection required to resist claims improperly brought and those claims withheld for the purpose of collecting not only the wages but the penalty. The honest employer is amply protected. Let us exercise the same degree of fairness with the employee who has a legitmate claim.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is most unfortunate that the chairman of the Committee on the Judiciary reported out a bill which goes far beyond the portal-to-portal question. Under the guise of meeting the portal-to-portal question the majority of the Committee on the Judiciary have reported out a bill which for all practical purposes in setting the statute of limitations at 1 year seriously impairs if not destroys the effectiveness of the Fair Labor Standards Act, the Bacon-Davis Act, and the Walsh-Healey Act. Certainly when the portal-to-portal legislation was introduced I know of few Members on either side who felt that this far-reaching bill that stepped upon the proper exercise of legal rights by millions of employees with reference to other legislation would be reported out of the Committee on the Judiciary.

I have been a lawyer a little over 30 years. A very substantial percentage of the Members of the House are members of the legal profession. Anyone who is a lawyer knows what a 1-year statute of limitations means. One-year statutes of limitations exist in very few States. We can take the case of the very man who hires employees covered by any one of these acts—and I am addressing my remarks to the men outside of the portal-to-portal field who sell goods to these employees—he has a 6-year statute of limitations, yet if this employer fails to pay his 40 cents an hour to the man or woman working for the minimum wage, the statute of limitations runs against that unfortunate employee at the end of 1 year.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. WALTER. Is it not a fact that under the wage-and-hour law an employer must keep his records for a period of 3 years?

Mr. McCORMACK. There is no question about that; that is the law. This is a matter of elemental justice. It can be put through; of course, the majority will prevail, but the responsibility will be definitely placed. If this bill were confined to a solution of the portal-to-portal issue and that question alone it would go through the House without opposition. It is the other provisions of the bill, particularly the 1-year limitation, that is unfair in its results, discriminatory in its results—and I use the word not from the angle of intent of the proponents but the results of the legislation—discriminatory upon millions of employees, and at least 14,000,000 of them are unorganized.

I know a little about minimum-wage legislation. I remember my first year in the Massachusetts Legislature in 1920. We had a minimum-wage law in Massachusetts which was passed in 1912 or 1913. The law provided for the establishment of minimum-wage boards, but once a board was established and made its findings as to a minimum wage for a group covered under it, there was no authority in law to reconvene the wage board or order a new one unless the employer requested it or the employees filed a petition.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Chairman, during 1914, 1915, and 1916, up to the time we entered the First World War, wage boards had been established, covering scrubwomen, charwomen, stenographers, and others, who were covered by a minimum-wage decree. Then 1920 came along. Not a wage board had been reconvened or a new one ordered during those years, with the cost of living increasing right along? Why? No employer would petition for the establishment of a new wage board because the wage decrees were based upon 1914, 1915, and 1916 conditions, and were low in relation to what they should have been in 1920. The employees did not petition because they were afraid to—afraid to lose their positions.

Mr. Chairman, I introduced a bill giving the commissioner of labor the authority upon his own initiative when in his judgment he thought there was a change in the cost of living to either reconvene the old wage board or order a new one. The same fear in the case of employees to assert their rights under this 1-year provision will take place if the pending bill limiting it to 1 year becomes law.

Mr. MATHEWS. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from New Jersey.

Mr. MATHEWS. As I understand the situation, there is a double-damage clause in these acts which gives the man twice the wages which may be coming to him. This being so, is it not a fact that a 1-year limitation under those circumstances is actually a 2-year limitation?

Mr. McCORMACK. If the gentleman feels that way, I thoroughly respect his views, but I am in disagreement with him?

Mr. MATHEWS. Why is that not so?

Mr. McCORMACK. I cannot agree with the gentleman. Last year the gentleman from Iowa [Mr. GWYNNE] agreed to a 3-year limitation. Why this sudden change? Why? What reasons are there for my friend changing from 3 years last year to 1 year this year?

Mr. GWYNNE of Iowa. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I think it was 2 years, as a matter of fact. I yield to the gentleman from Iowa.

Mr. GWYNNE of Iowa. I think the gentleman understands what the situation was last year. The committee reported a bill for 1 year. We got a rule for it, and in spite of the fact we had a rule the gentleman's party did not call it up. I finally agreed to accept a 2-year compromise to get it on the floor, and we passed it with the 2-year limitation.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Michigan.

Mr. MICHENER. The gentleman from Massachusetts was at that time the distinguished majority leader of the House, and he stated on the floor that he was opposed to the Gwynne bill and that he would not program it.

Mr. McCORMACK. Exactly.

Mr. MICHENER. He stated he would not permit it to come up under any conditions unless compelled by the House. He was compelled to do so under the rules. He did call it up, and it did pass. The bill went to the Senate; it came back, and the leadership neglected, let us say, to permit the bill to come up after it had been amended by the Senate. Then the House adjourned for the session.

Mr. CELLER. The Senate made it 3 years.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. KEATING. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, there exists, as most of us know by now, an honest difference of opinion between the distinguished chairman of the subcommittee and some of the other Members on this side regarding this question, and there is one item that has been discussed to which I would appreciate directing your attention.

The point has been made, and well made, that there are some 11 or 13 States which have specifically dealt with this problem and have passed statutes of limitation of from 6 months to 3 years, whereas there are some 35 States which have not, and when you average all of these States together, both those which have and those which have not, you have an average of 3.3 years in which such actions may be brought Nation-wide.

It has been ably argued that the fact that certain particular States have legislated indicates that those States feel that a shorter period is desirable. To that specific point I would like to direct your attention. These States legislated, cutting down this period, at a time when we had the existing Wages and Hours Act, not the Wages and Hours Act as modified,

or more accurately put, affected by the provisions of this act. In this bill we have inserted a good-faith provision so that an employer, if he acts in good faith in reliance upon administrative rulings, is absolutely protected not only from the basic cause of action, but also from the penalty, and if he acts in good faith and with reasonable ground, even though not in reliance upon a specific ruling, he is exempted from the penalty provision and is only liable for the basic claim for wages which, if you accept the underlying soundness and merit of the Fair Labor Standards Act and do not take the position which some of my colleagues do as typified by the remarks of the gentleman from Alabama, and, perfectly legitimately, that the entire act should go out of the window—if you accept the act. I say, as I do, then you are committed to the conclusion that there are legitimate causes of action under it. It is for that reason that it seems to me when we reduce the period of time in such a State as mine, for instance, where an employee now has 6 years to bring his action—when we reduce that to 3 years, we have gone as far as we should. If this substitute amendment fails, I shall support the 2-year provision, but to limit it to 1 year seems to me to go beyond the point where we should go, in fairness and justice.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield to my colleague the gentleman from New York.

Mr. COUDERT. Does the gentleman, in referring to our 6-year statute of limitations in New York, refer to the original general statute of contractual limitations, or did we in New York at any time adopt a special statute of limitations for this kind of action?

Mr. KEATING. My understanding is that we have never taken such action, and I am referring to the limitation of 6 years, applicable to actions ex contractu.

Mr. COUDERT. Then the fact is that, in New York and in all of these other States upon which the gentleman and those in his position rely by way of analogy, you are really referring to the underlying general statute of contractual limitations, and not statutes that those States may have specifically enacted to deal with this very extraordinary and unique cause of action.

Mr. KEATING. The gentleman is partially correct. The average of 3.8 which I have cited includes those States which have and also those which have not acted on this specific proposition.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from Indiana.

Mr. HALLECK. Of course, the gentleman recognizes that this being a statutory remedy and right, and being extraordinary in character because of the provisions for double liability, it differs from the ordinary contractual obligation.

Mr. KEATING. That is a point to which I am very happy to address myself.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. KEATING. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. My point is that by the provisions of this bill, which I favor, whereby we have given to the employer the defense of good faith, which I feel he should always have had, and by the further provision where we have permitted settlement between the employer and the employee which seems to me to be to the decided advantage of both parties, we have created quite a different situation from the one which applied to the original Wages and Hours Act, upon which those State legislators acted when they passed the shorter period, which they have.

Mr. GWYNNE of Iowa. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from Iowa.

Mr. GWYNNE of Iowa. In order to clarify that matter, the table referred to on page 82 is of course a list of the general statutes applicable to actions in general and does not purport to set out the States which have acted specifically. Is that correct?

Mr. KEATING. That may be right. I am not sure. I think the Nation-wide average, however, is 3.8 years.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from Pennsylvania.

Mr. WALTER. If the gentleman has the hearings before him, he will find that the State statutes of limitation to which the gentleman from Iowa referred include both, and they are the number of years for which back pay can be claimed either under a special statute or under the statute relating to actions ex contractu.

Mr. KEATING. As to what the list on page 82 covers I do not know, but my understanding is that the Nation-wide average is 3.8 years and in my State of New York it is now 6 years.

Mr. GWYNNF of Iowa. If the gentleman will yield further, the gentleman does not deny the fact, does he, that of 11 States which have acted specifically and positively 6 have enacted a statute of 1 year or less?

Mr. KEATING. That is right, I believe, but they have acted upon the existing wage-hour law, not the law as we are now proposing to amend it.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from Michigan.

Mr. MICHENER. Assuming that good faith is involved and that the employer gets before a district judge who has the audacity to state, "Now, this is a prolabor court," would not it naturally follow that a prolabor decision would result? Should we not guard against any possibility of that kind?

Mr. KEATING. I agree entirely with the distinguished gentleman that there should be some statute of limitations written into this law. He and I are in an honorable difference of opinion as to the length of time which should be written into this bill.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. HOBBS. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I rise in support of the committee bill with all the pleasure in the world. It does not take me a year to yell "Ouch," if somebody hurts me, and that is all that the filing of a claim is. You can file a suit in 1 hour, and if your resentment at the outrageous treatment of management be sufficient you can do it in less than an hour.

I do not believe in saving up these claims like Octagon soap wrappers for 8 years, as the night watchman did over here in an Alexandria ice plant, and then filing a suit of $34,600. That is an illustration of one of the reasons our committee recommended a 1-year statute in the Gwynne bill last year, to stop such racketeering. What did you do, how many hours did you work on September 16, 1936? You do not know and no one else knows. But now we have perfect time books showing exactly what happened.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. Nothing gives me greater pleasure than to yield to my distinguished colleague.

Mr. WALTER. The gentleman is citing a perfectly ridiculous situation, of course. But is it not a fact that employers, under the law, must retain their records for a period of 3 years?

Mr. HOBBS. That is my understanding. This is just warmed over food from last year, and the House is going to eat it the same way they did before, because they know it is good and we are hungry. Anybody who has an honest claim under any of these civil statutes—which have no relation at all to the statutes of limitations in criminal cases—can certainly file his suit, if he thinks he has a case, within 12 months. Not only is that common sense, but it is justice, and is preeminently fair to every honest claimant.

I rather resent the imputation that we are trying to do something unfair to organized labor. It is not true, no matter how much the distinguished gentleman may be in utter sincerity in saying so.

Mr. SABATH. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I am so glad to yield to my friend, the distinguished dean of the House.

Mr. SABATH. May I inquire why the same provision should not apply to other actions that are commenced? I believe the average on civil actions under the different laws is nearly 4 years. Why is this different from other civil actions? Why should labor be the only one to be treated differently? Do you think the country would approve of that? No. Unfortunately, you are picking on labor, but not on the businessman or anyone else. You are just picking out labor for this different treatment.

Mr. HOBBS. I am so glad to have the elucidating explanation and statement of the distinguished gentleman. May I say that nothing is further from the

thought of the Committee on the Judiciary than to pick on labor. We did not select any particular group or any particular act. The Gwynne bill last year brought up the point that there were 19 civil laws providing civil penalties no one of which had any limitation, no derailing switch, and therefore we provided one, which met with the almost unanimous approval of the House. We are trying to do the same thing today.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I am glad to yield to my friend the gentleman from New Mexico.

Mr. FERNANDEZ. Under the statute, one employee may file a suit for himself and for others similarly situated. There is one section in the bill which troubles me, and if the gentleman can help me, I will certainly appreciate it. Subsection (c) of section 2 says:

> An action shall be deemed to have been commenced as to any individual claimant as of the date when such claimant is named in such action as a party thereto.

Do I understand that to mean that if the individual himself is not named, then at the expiration of the statute of limitations he is out?

Mr. HOBBS. Yes, sir. The gentleman is exactly right.

Mr. FERNANDEZ. And he is not protected by the fact that some other employee has filed suit for himself and others similarly situated?

Mr. HOBBS. That is exactly right, but anybody who has a claim can be named in any such suit, and, of course, would be if he wished.

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

Mr. CHELF. Mr. Chairman, I ask unanimous consent that the gentleman may be allowed to proceed for five additional minutes. We members of the committee gave this matter long and serious consideration, and the gentleman should have an opportunity to explain it.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. HOBBS. Mr. Chairman, I deeply appreciate the kindness of my friend, as well as the indulgence of the House, but I shall not consume the entire 5 minutes, but I will be delighted to conclude my answer. The point that the gentleman from New Mexico raised relates to that part of the bill which interdicts the practice that has obtained thus far, of having a group frequently in a distant city bring in 176,000 cases, in one instance without any permission from the alleged claimants; without any knowledge of many of the alleged claimants. Many of them repudiated the pretense of authority to act for them. Therefore, the committee bill provides that if anyone has a claim, either he or one of his buddies acting for him with his authority should put his name in, so that we may know who is really back of the propounding of the claim.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I am so happy to yield to the distinguished gentleman from Pennsylvania, the dean of the Democratic minority from Pennsylvania.

Mr. EBERHARTER. Suppose there are 1,500 employees and they all want to join in an action, each must be named individually?

Mr. HOBBS. Named, yes. But they can all sue in a group. In other words, all of those who really want to be in the suit can put their names in the complaint and thereby preserve their rights. We are delighted to have that provision. It is salutary. The only thing we are after by that provision is the unauthorized suing for people who do not want it done.

Mr. Chairman, I yield back the remainder of my time.

Mr. JENNINGS. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, this bill grows out of the necessities of the situation that confronts the businessmen of this country and their employees. Not only the owners and managers of business, but the men and women who work for them are threatened and are in peril.

These portal-to-portal suits, aggregating almost $6,000,000,000, hang like a pall over the business of this country. They operate to stop the flow of what we call risk capital—new money that people might put into business if they thought they could do business without being destroyed by a law that has really been misconstrued by the United States Supreme Court. Those suits do not grow out of any contract between the employer and employee. They do not grow out of any usage or custom in industry. They grow out of a judicial effort to legislate. So far it has accomplished its purpose. The Mount Clemens Pottery Co. case flooded the courts with thousands of unprecedented and unexpected suits.

I feel that a majority of this Congress are here under a mandate from the people to relieve them from this sort of a threat to the solvency of this Nation and of our industries.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the distinguished majority leader.

Mr. HALLECK. Of course, we all know the gentleman from Tennessee is a very able member of the great Committee on the Judiciary. As the gentleman has pointed out, the filing of these portal-to-portal suits shocked the conscience of our people. They demand that something be done. I rise at this moment to commend the gentleman's committee, the Committee on the Judiciary, for the expeditious manner in which they have approached the solution of this very difficult problem. I think the committee has done a good job with it. I think the majority of the committee in reporting this bill are dealing fairly and honestly and properly with the issue that is presented. As far as I am concerned I propose to stand with the committee in the matter of this legislation.

I trust that the bill, as reported, may proceed to speedy enactment.

Mr. JENNINGS. I thank the majority leader for his contribution; and may I say that I do not for one moment lay the flattering unction to my soul that this Committee on the Judiciary is the repository of all knowledge and all wisdom, but I do say that the able members of the subcommittee who had this bill in charge and under consideration, and who wrote it and reported it to the whole committee and to this House gave it careful and studious attention. It is a good bill. I am getting letters from both working people and men in business from all over my State and my district. They are asking me, "Does the Congress propose to function? Has it got the guts to stand up? Or are we going to march up the hill and then back down again because somebody comes at us with a wooden gun or threatens us with some reprisal at the hands of some organization."

William Green and the thoughtful members of the American Federation of Labor have disapproved of these portal-to-portal suits. I have been threatened and you have been threatened by scalp hunters who went out under the banner of certain labor organizations and denounced us as unworthy representatives of the people. I have no quarrel with any workingman. I think the workingmen are just as patriotic—the great body of them—as I am; but many of them have been misled, and the time for action is now. We are face to face with an opportunity, and the first opportunity we have had in this session of Congress, to do something to protect the people who are in industry, to protect the jobs of our workers. There can be no job for any man unless there is an employer financially able to pay him for work when he has performed it. In addition to that, it requires from six to seven thousand dollars in money to create and maintain a job for any man or woman in industry. When you stop the flow of capital, when you terrorize those who put their money in business, you have threatened not only the solvency of that particular business, but when you have an avalanche of suits like this, you threaten the entire economy of the country. You may destroy the jobs of millions.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. JENNINGS. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee.

There was no objection.

Mr. JENNINGS. This limitation of 1 year applies only to actions brought under these laws that are now in question. Any workingman who has a claim against his employer in my State, or your State, simply for wages and not for the penalties and not pursuant to the remedies afforded by these labor laws, has 6 years within which to bring a suit for what is due him for wages. We are undertaking to set a period of limitation upon the suits that involve these penalties, this time and a half, and these attorneys' fees and costs; that is all we are doing. This matter ought to be set at rest, and set at rest now. Everybody knows that the working people of this country are well advised, they are informed, they have their lawyers and their leaders. This debate in this House,

the pendency of this measure, its terms, are known to the working people all over the country, and any man who has sense enough to have a job can certainly learn within a year whether or not somebody has treated him wrong. I have never yet seen the time when a man or woman in this country who conceived himself or herself to be aggrieved did not go to the courthouse. People down in my country are litigious; they are good supporters of the lawyers and they are good asserters of their own rights. I believe human nature is pretty much the same all over this country. Let us not emasculate this bill; let us not kill this bill with weakening amendments; let us not disappoint the people of this country; let us quit shadow-boxing and adopt a period of limitation here within which these suits may be brought that will stop the uncertainty which is about to stop the wheels of industry in this country. The passage of this measure by this House by an overwhelming majority will enkindle new hope, faith, and courage in the people eagerly awaiting our action here today. I predict that we will not disappoint those who sent us here to do this job.

Mr. WILSON of Texas. Mr. Chairman, I move to strike out the last six words.

Mr. Chairman, I want to state at the outset that I intend to vote for this law. The debate seems to have gotten off the point, however, as most of the gentlemen are talking about the general statute of limitations. I do not know how many States like Texas have special statutes creating labor liens and material men's liens, but our time limit has been for years that when a man worked at a job building a house he had 30 days within which to file a labor lien after the job was completed. That time has been recently extended to 120 days. That same law applies to material men, the people who furnish the lumber, the mortar, and the brick to go into a house. Many States have such laws.

Mr. SABATH. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Texas. I yield to the gentleman from Illinois.

Mr. SABATH. That applies, of course, to actions that are known as lien actions?

Mr. WILSON of Texas. That is right. This is drastic action. This law has been written by the Committee on the Judiciary and it has allowed a very reasonable time. It has been written to take care of a very ridiculous situation that has arisen so far as the business of this country is concerned.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Texas. I yield to the gentleman from Pennsylvania.

Mr. WALTER. I would like to call the gentleman's attention to the fact that in his own State of Texas an employee has 2 years within which to bring a suit for wages.

Mr. WILSON of Texas. That is true of oral contracts. The limitation is 2 years. On written contracts the limitation is 4 years. But that is not relevant to this matter. This law as written is fairly liberal, in my estimation.

I, like the gentleman from Tennessee, think this Congress should adopt the pending measure by an overwhelming majority and thereby cure a ridiculous situation that has arisen in this country, not by contract but dragged out of thin air, by some of our labor unions.

The laws of Texas further require that after a laborer or a materialman files his itemized list of either labor performed or material furnished with the county clerk that he must bring suit within 6 months in order to foreclose that lien which gives him an over-all period of time of 10 months in which to file and prove his lien.

This bill allowing 1 year limitation should be ample for any laborer who feels that he has a claim to file on it. I urge the passage of this bill.

Mr. FERNANDEZ. Mr. Chairman, I rise in support of the substitute amendment.

Mr. Chairman, I am in favor of the substitute amendment and I hope it passes, but whether it passes or not I am going to support this bill and I am going to support it wholeheartedly.

There are other amendments I would like to see to this bill. In my opinion it is a little too broad. It is not the kind of a bill I would have written; in fact, it is not the kind of a bill I wrote. I presented a bill, H. R. 1440, which I thought went as far as we ought to go to take care of the problem. But, as I stated, whether the amendments which are going to be offered are accepted or not I am going to support this bill wholeheartedly. However, I do want to offer at the appropriate time an amendment which I think ought to be adopted for clarification of the act.

The amendment I shall offer will be to line 13, page 5, section 2. In that section there are used the words "without reasonable ground" and the complete section reads as follows:

(g) In any action pursuant to any of the acts mentioned in section 5 hereof, the court, if it finds that the violation of the law giving rise to such action was in bad faith and without reasonable ground, may, in its sound discretion, award not to exceed the amount specified as penalty or damage in the law under which such action arises.

Mr. Chairman, I do not know just exacty what is meant by the words "without reasonable ground" but from a reading of the report I think what is meant can be made clear by the amendment which I shall offer at the proper time.

In lieu of the words "without reasonable ground" I am going to offer an amendment to strike out those words and insert in lieu thereof "or with intent to evade the provisions of said acts relating to fair labor standards and practices." I mention that matter now so that you may be giving it some thought before the amendment comes up. I think that is what the committee had in mind. In any event, the words "or with intent to evade the provisions of said acts relating to fair labor standards and practices" have at least the virtue of being clear. I think we ought to take time in drafting and passing this law and see to it that all the terms are clear.

Mr. GIFFORD. Mr. Chairman, I move to strike out the last six words.

Mr. MICHENER. Mr. Chairman, if the gentleman will yield, we have this one amendment before the House, and let us not get into a discussion of other amendments until we dispose of this. I wonder if we could not agree on time as to this particular phase? Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

Mr. HOFFMAN. Mr. Speaker, reserving the right to object, before you close debate are you not going to allow some of us who introduced bills long before you started in on this to say anything?

Mr. MICHENER. The gentleman was yielded 10 minutes yesterday, and he was not here.

Mr. HOFFMAN. I stayed around here until after dark, and I thought perhaps I could not get any light on it then.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. GIFFORD. Mr. Chairman, I am only a juror in this case. But should you not be willing to hear a comment from a juror? We have heard this legalistic conversation going on for some hours. Of course, we know the issue. It is simple enough. We know there is a flood, and we should turn off the spigot and shut off the flood as soon as possible. However, it seems as if we have been flooded this morning with argument of sympathy for the lawyers themselves, who want 2 or 3 years to bring a suit for possible clients. How you do look after your profession. What a wonderful harvest for the legal profession. I want to congratulate the membership of the bar on this side of the House, who are willing to forego the harvest of fees which would necessarily follow. As a juror, I should remind other jurors of this feature of the proposed amendment. We think we know the issue, and we should not have to sit here much longer to determine simply which side has the best lawyers. Again, the issue is a very simple one to determine.

The CHAIRMAN. The Chair recognizes the gentleman from Maine [Mr. FELLOWS].

Mr. FELLOWS. Mr. Chairman, when they say that the laboring man does not understand his rights, that he is not capable of understanding just where he stands at any time, I wish to call this to your attention, because I think it is unfair to the laboring man to insinuate that he does not understand. The Supreme Court decision came down in June, and within a matter of a few months they not only understood their rights but they instituted lawsuits numbered in thousands and in amounts aggregating $6,000,000,000. They knew that the Supreme Court decision in the pottery case had come down before you did. I shall support the limitation of 1 year.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, when my distinguished leader the gentleman

from Michigan [Mr. MICHENER], whose slightest wish, whenever I can ascertain what it is, I delight to follow, chides me for not being around yesterday, it becomes expedient—it is not necessary—for me to offer an alibi. I was here pretty nearly all afternoon, but I was so overcome by the flow of eloquence and information I received from the members of the Judiciary Committee who spoke, that I did not feel competent to add anything at that time to its debate. I wanted to spend the night in collecting my thoughts, if I could, and see if there was anything they had not said that I might say to add to this discussion. I found out there was not a thought that had to do with the merits of the issue that had not been expressed far better than I could give it utterance. So today my only purpose is to call your attention to the fact that these lawsuits are the result of a decision of Justice Murphy and four of his associates. Justice Jackson was not there when the opinion was handed down. He was across in Germany doing something else, making new international law. The other four justices may have been asleep or down to lunch. There was something wrong, anyway, over there, because they overruled a unanimous decision in which they had all joined just a little while before. Skidmore against Swift, in which they held that the master should find the facts and was what might be called the old formula in awarding damages, if any. So Justice Murphy wrote this Pottery decision and the other justices, apparently not knowing what it was all about, four of them, they signed up, and that decision—lawsuits against industry—$6,000,000,000 worth—is Justice Murphy's attempted gift to the CIO.

JUSTICE MURPHY IS CIO'S SANTA CLAUS

Way back in 1937 Justice Murphy gave us the sit-down strikes in Michigan, and you gentlemen from the other States have had the benefit of that over the years. That action of the then Governor of Michigan was a gift to the CIO—which enabled it to exist.

This is the way it works out. There is a little company in Benton Harbor, Mich., in the Fourth Congressional District. They had just 35 employees at the beginning. Then in wartime they went up to 100. When this decision of Justice Murphy came down in 1946 the CIO sponsored and filed a portal-to-portal suit against the company, based on the Mount Clemens Pottery decision, asking for $575,000. They also called a strike over there. There were no employees on the picket line, but they brought in pickets from outside to stop the workers, but were not successful. Then on top of that what do you think happened? The National Labor Relations Board, which now is over there across the hall in the room with the subcommittee of the Appropriations Committee asking for more money, went down there and filed unfair labor practice charges against that company. The suit, you see, was not enough. Along comes the Labor Board and dips its oar in and brings this charge, and refuses, bless their heart, to call an election so that the employees themselves can determine whether or not that organization represents them in this suit and in their other labor relations.

On top of that, what happens? The CIO puts an ad in the daily paper saying in substance, "If you worked in 1940 or any year between 1940 and the present time you are entitled to hundreds of dollars, and if you will call at our office and we will be open until midnight"—they are accommodating—"we will file a suit for you and it will not cost you anything." How do you like that for a speculation? How do you like that for a racket? That is the Supreme Court's gift to industry. I have the highest respect in the world for that Court, or at least if I have not right this minute, I will have when any three of them can agree on any one opinion when they file a decision.

The CHAIRMAN. The time of the gentleman from Michigan has expired. All time has expired.

The question is on the substitute offered by the gentleman from Pennsylvania [Mr. WALTER] to the amendment offered by the gentleman from New York [Mr. CELLER].

The question was taken; and on a division (demanded by Mr. WALTER) there were—ayes 40, noes 145.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. CELLER].

The question was taken; and on a division (demanded by Mr. CELLER) there were—ayes 73, noes 124.

Mr. CELLER. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

Mr. DEVITT. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. DEVITT: On page 4, line 18, after the word "practice", insert the following: "of the Wage and Hour Division of the Department of Labor, or of any Government agency having jurisdiction of the subject matter."

Mr. DEVITT. Mr. Chairman, I offer here a relatively simple amendment to this bill which I hope will have the favorable consideration of the House. I offer the amendment in order to take care of several situations of which I have personal knowledge and in order to clarify the bill. As the bill reads now, you will note in subsection (e) of section 2 that it is provided that in any action where the employer relies on an administrative regulation, order, ruling, interpretation, approval, enforcement policy, or practice, such reliance is a good defense to an action, even in the face of a later court decision to the contrary. Personally, I object to a law which gives to administrative orders a precedence over judicial decisions. But I believe by the amendment which I have offered we will be able to limit the scope of this law. What I seek to do is to limit the force given to these regulations and orders and make the law applicable only to those agencies of Government which have jurisdiction of the subject matter.

So my amendment would make subsection (e) read as follows:

In any action, whether or not commenced prior to the effective date of this act, the employer may plead and prove that the act or omission complained of was done or omitted in good faith consistent with, required by, or in reliance on any decision of a court of record in connection with which such employer was a party in interest, or any administrative regulation, order, ruling, interpretation, approval, enforcement policy, or practice of the Wage and Hour Division of the Department of Labor, or of any Government agency having jurisdiction of the subject matter.

What I seek to do is to strike from the bill the administrative policies, regulations, or rules of all kinds by Government agencies, bureaus, or departments which have absolutely nothing to do with the subject matter of the employment.

I related to the Members of the House yesterday afternoon the facts with reference to the lawsuit in my own congressional district, where a decision has already been rendered, but where, if this bill is passed without amendment, some 2,500 employees would be denied recovery which a court of the United States has said they were entitled to receive.

Under the proposed amendment I feel sure that these employees will be saved from the operation of this bill and that other groups of employees throughout the country similarly situated will also be saved.

Most of the administrative rules and regulations which the employers have relied upon in the past have been rules and regulations which have been issued by the Wage and Hour Division of the Department of Labor. I dare say that some 95 or 96 percent of the rules have emanated from that particular department.

I emphasize that the purpose of this amendment is to make sure that the employer cannot stand up years later and say that he relied on a regulation which was issued by some department—and certainly there are thousands of agencies and departments in our Government today issuing regulations—which had absolutely nothing to do with the subject matter. That was the case in the Northwest Air Lines lawsuit which I told you about yesterday.

I urge the members of this committee to give favorable consideration to this clarifying amendment.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. DEVITT. I yield to the distinguished gentleman from Michigan.

Mr. MICHENER. Assuming that a representative of the Wage and Hour Division, having his card and credentials, appeared in the factory and advised the employer and the employee that they must do a particular thing; assuming that they acted in good faith and complied. A month or two later another agent comes from Washington, representing another agency of the Government, and shows his card and identifies himself and says he has authority, and commands the employer to do a certain thing. Does the gentleman mean that before that employer has any protection he must come to Washington and make an investigation to find out which man

had authority, before he acts in good faith?

Mr. DEVITT. The gentleman's question is answered in the negative. I am sure he would not need to come to Washington to make an investigation. The question of good faith and reasonableness is involved. I am sure that any kind of a businessman with business acumen could find out the authority of somebody who walked into his plant and told him what to do. That would be the first thing he would do.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. DEVITT] has expired.

Mr. MICHENER. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MICHENER. Take the case about which the gentleman told us yesterday. The first representative of the Wage and Hour Board came along and told this concern what it should do. They complied. Later another representative came along and said he represented the Railroad Labor Board and it was the duty of the factory to do what he said. The factory accepted his authority. They did what he said, in good faith. If the gentleman is right now, he was wrong yesterday.

Mr. DEVITT. Just a moment. You say they did that in good faith. Does the gentleman recall the rest of the facts of that case that I cited yesterday? What did the Northwest Airlines do?

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. DEVITT. May I answer the gentleman from Michigan? In the case of the Northwest Airlines, when they had two conflicting rulings from two departments of the Government they did not rely on this second contradictory ruling. They went to the War Department and told the War Department the situation and said that if this ruling should be reversed by a court of competent jurisdiction, and judgment should be entered against them for this overtime pay they wanted the War Department to reimburse them; and the War Department said they would do so. Now, I ask the chairman of the Judiciary Committee: Was that acting in good faith on the ruling of the Railroad Labor Board?

Mr. MICHENER. It might have been good faith, but the question is this: Under the pending amendment offered by the gentleman from Minnesota no one could rely on the authority of any representative without making an investigation to find out what his authority was.

Mr. DEVITT. I may say to the gentleman from Michigan that that is true in any aspect of life. If anybody comes up to you with a proposition you ask: Who are you? What is your authority?

Mr. MICHENER. We are striving by this bill to remedy things that have already happened.

Mr. DEVITT. Yes; and I am trying to limit the scope of the bill so that it will not apply to all rules and regulations of all kinds of agencies. I am trying to limit the bill to the pertinent agencies.

Mr. OWENS. Mr. Chairman, will the gentleman yield?

Mr. DEVITT. I yield.

Mr. OWENS. Is it the understanding of the gentleman from Minnesota that this bill applies only to an action arising under the laws set out in section 5?

Mr. DEVITT. That is right.

Mr. OWENS. And that it should be limited to the administrative boards that have been appointed under those certain laws.

Mr. DEVITT. That is right; and I will go even further than that, I may say to the gentleman from Illinois, to provide that it should be limited to the rules and regulations of the board having jurisdiction of the subject matter. I think that is certainly wide enough to cover the situation.

Mr. REEVES. Mr. Chairman, will the gentleman yield?

Mr. DEVITT. I yield.

Mr. REEVES. I take issue with the suggestion that in determining whether or not the employer is in good faith he, the employer, must always pass on the question of jurisdiction. I submit that the amendment the gentleman has offered would impose upon employers the obligation of determining at their peril a jurisdictional question, which ought not to bear on the question of their bona fides or their good faith.

Mr. DEVITT. The answer to the question propounded by the gentleman from Missouri is the same as the answer to the question asked by the gentleman from Michigan, that any businessman having dealings with a regulatory body must exercise reasonable judgment to determine its functions and authority.

Mr. REEVES. But that is the very question which the court has to decide in any matter of good faith.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

Mr. REEVES. Mr. Chairman, I ask unanimous consent that the gentleman from Minnesota may proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. REEVES. But the custom is that in any question of good faith the courts look into the reasonableness of the reliance of the party claiming good faith. What the gentleman's amendment does, I believe, is to substitute for reasonable reliance in good faith the responsibility of determining the question of the jurisdiction of the several governmental agencies.

Mr. DEVITT. I beg to differ with the gentleman. The object of this amendment is to limit the scope of the bill so it will not cover the entire field of these boards and their numerous regulations.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

Mr. GWYNNE of Iowa. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I trust this amendment will not be adopted. I trust that for the sake of helping somebody's lawsuit out in Minnesota, you are not going to wreck the hopes and the aspirations of hundreds of thousands of employers all over this country.

This good-faith provision is not new to this bill; we had it in the last session in H. R. 2788; we had it before that in the bill that was sponsored by the gentleman from North Carolina [Mr. BARDEN]. Its intent is to bring the maximum of protection to a group of people who have been greatly abused and mistreated, the small employers in this country.

We do not wish in any way to limit the authority of any administrator to make whatever rules and interpretations he has the right to make, or to change them from time to time.

All we are trying to get into the law is a provision that if an employer relies upon a ruling or interpretation of the Administrator, of the Board, of the authority that has been given the power to enforce the law, he will be protected and any change in ruling will not operate retroactively. The courts have recognized that theory.

What is attempted by this amendment is to limit it to the rules and regulations of the Administrator of the wages-and-hours law. Why? Because, then, then, their lawsuit would be safe. That is the whole story.

Mr. Chairman, I submit that if we ever start making a crazy-quilt out of this legislation which has been gone over carefully with a thought to writing a bill which would be the maximum protection for everybody, if we are going to start now letting this fellow out and letting the other fellow out, we will soon have no bill at all.

In the first place, I have heard their case explained and I have serious doubt if their case is affected by the present bill for the reason that it simply provides if the employer relies in good faith on any rule or interpretation of some administrator in the executive branch of the Government he will be protected. That will take care of the great majority of the situations.

What happens when there is confusion in the temple, when there are conflicting rules and regulations of various boards and groups? Could a man be said to be in good faith if he picks out one he wants to comply with and complies with it? I am not so sure he would. I am not so sure this bill will affect the case the gentleman has in mind, and even if it did, I would not be in favor of adopting an amendment to save that case and scrap the rights of the many thousands of other employers all over the country.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE of Iowa. I yield to the gentleman from Tennessee.

Mr. JENNINGS. The effect of this amendment, if adopted, would be to write into the base of the general law a special

act for the protection and relief of one group of business?

Mr. GWYNNE of Iowa. That is exactly right.

Mr. OWENS. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, I am not rising to say anything with respect to suits which I think are improper. However, many suits which have been filed were filed justifiably and correctly and have as their object giving relief to employees who are entitled to that relief. We understand that this act is to be limited to certain laws which have heretofore been passed and which are set forth in section 5. In view of that fact I believe that when persons are raising defenses based on good faith, that defense being that they were informed by some administrative agency of some provision which caused their action should certainly be limited to an administrative body appointed under one of those laws which are set forth in section 5, or some administrative body which clearly has jurisdiction of the subject matter.

Mr. Chairman, this is a mighty drastic law which affects the rights of employees throughout the Nation. For this reason we should be very careful and give consideration to a just amendment of this type.

I therefore submit and urge you to support the amendment that was submitted by the gentleman from Minnesota.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. DEVITT].

The amendment was rejected.

Mr. FERNANDEZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FERNANDEZ: Page 5, line 15, strike out the words "and without reasonable ground" and insert in lieu thereof the words "or with intent to evade the provisions of said acts relating to fair labor standards and practices."

Mr. FERNANDEZ. Mr. Chairman, under subsection (e) of the act we make good faith a defense. Under subsection (g) we say that if the court finds that the defendant acted in bad faith or without reasonable ground, the penalties provided by the statute may be imposed. The words "without reasonable ground" stand out with a big question mark. It seems to be a new expression in this connection. It is hard to understand what is meant by those words. If the members of the committee who are more able than I can tell us what that means, I will withdraw my amendment. But I do think that we should endeavor to make the meaning clear. From the report I gather that what the committee meant was that if the defendant acted in bad faith or with intent to evade the provisions of these three statutes, then the court may impose the penalty and damage provisions of the act.

Therefore, to make that clear, I have offered the amendment to substitute for the words "and without reasonable ground" the words "or with intent to evade the provisions of said acts relating to fair labor standards and practices." If the court should so find, then, of course, the court would impose damages and penalties.

Mr. KEATING. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the proposed amendment which adds the words "or with intent to evade the provisions of said acts relating to fair labor standards and practices" would seem to me to add nothing to the present wording of bad faith. Anybody who acts with intent to evade the law would be acting in bad faith and without any reasonable grounds. The addition of this proposed wording would be repetitious.

Mr. OWENS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in view of the fact that we have already passed on subsection (e), I believe we could justly support this amendment, because certainly where we want to prove that the person was not acting in good faith it is sufficient to show that it was with intent to evade the law. I do not see that there is anything wrong at all with this amendment. As I said before, I believe this is a very drastic law, and we ought to give some support to the position of those employees whose actions are brought in good faith.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Mexico [Mr. FERNANDEZ].

The amendment was rejected.

The Clerk read as follows:

SEC. 3. No action or proceeding of any kind whether or not commenced prior to the effective date of this act, shall be maintained to the extent that such action is based upon failure of an employer to pay an employee for activities heretofore or hereafter engaged in by such employee other than those activities which at the time of such failure were required to be paid for either by custom or practice of such employer at the plant or other place of employment of such employee or by express agreement at the time in effect between such employer and such employee or his collective-bargaining representative.

Mr. HOBBS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOBBS: On page 5, after section 2, insert a new section as follows:

"SEC. 2½. The whole of section 6, the whole of section 7, and the whole of section 16 (b), Public Law 718, of the Seventy-fifth Congress, are hereby repealed."

Mr. MARCANTONIO. Mr. Chairman, I make a point of order against the amendment. It is not germane. It deals with sections of the Fair Labor Standards Act not within the scope of this bill.

The CHAIRMAN. Does the gentleman from Alabama desire to be heard on the point of order?

Mr. HOBBS. Mr. Chairman, I was heard yesterday in the general debate, speaking to this amendment, and I try never to burden the House with my remarks if I can possibly avoid it. Therefore, I thank the Chairman, but decline to avail myself of the privilege. The ruling in the Committee was against me on this point of order, and I understand the Parliamentarian is of the same opinion, so further argument on the point of order would be useless.

May I assure the House, however, that nothing is further from my thought than to cut off any real, honest right. My amendment would cut out the cancer, root and branch, and cure the disease that afflicts our national economy to the point of threatening its life. But no one could be so foolish as to think that immediately following that beneficent surgery there would not be further amendment fully protecting every honest portal-to-portal claim, and doing full justice to all concerned with respect to wages and hours of honest labor. My amendment is but an invitation and challenge to straight thinking, urging that detours be avoided until the first city of refuge shall have been reached by the safe highway of good legislation.

Mr. MARCANTONIO. If the gentleman wants to be heard, I will reserve my point of order so that he can make his statement. However, I shall press the point of order after the gentleman has made his statement.

Mr. HOBBS. I thank the gentleman, but I do not wish to take the time of the House.

The CHAIRMAN. The point of order is sustained.

Mr. HINSHAW. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HINSHAW: At the end of section 3, strike out the period and insert "or upon failure of an employer to pay overtime compensation for items of inactive or unproductive time or services, which pursuant to either such practice or custom or such agreement have been absorbed in the rate of pay or have been treated as noncompensable."

Mr. HINSHAW. Mr. Chairman, the purpose of this amendment is to include under the provisions of section 3 those arrangements that are made with certain employees whereby those employees remain in a standby status for some period of hours after the normal period of employment, where compensation for the unproductive standby period is supposed to be included in the rate of compensation which is agreed to and paid. That condition obtains in a number of industries. It obtains in emergency or repair aspects of industries of several kinds. It may be that the intent of the language which I have offered is actually covered by intent of the committee in this or other portions of the bill. If so, I shall be glad to withdraw my amendment. May I now ask the distinguished gentleman from Iowa [Mr. GWYNNE], the author of the bill, whether this intent is covered in the bill?

Mr. GWYNNE of Iowa. Mr. Chairman, I think the committee is familiar with the circumstances the gentleman has in mind.

Section 3 has been written with a great deal of care and is designed to rule out all cases which are based upon compensation for activities that were not agreed to be paid for, either by express agreement or by custom or practice. I would think the words in the gentleman's amendment to distinguish between productive and nonproductive time would have a very unfortunate effect. Nonproductive time is just as compensable as purely productive time. But the distinction we have tried to make is between activities for which there was an under-

standing that they were to be paid for either by express agreement or by custom or practice. If your situation falls in that category, you have the protection now of section 3.

Mr. HINSHAW. I thank the gentleman from Iowa. I believe the bill covers the situation that has been presented by this amendment. The amendment was offered merely for clarifying purposes, and in view of the clarifying statement of the gentleman from Iowa, Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, although because of other hearings that are going on, it has not been my privilege to hear all the debate on this bill, I have been surprised at some of the debate that I have heard because of the apparent indifference of some speakers relative to the effect that this portal-to-portal question has on the public treasury. There have been some of those who have spoken rather slightingly of this legislation who have been among those who in times gone by have spoken very strongly for the control of excess war profits. They must be overlooking the fact that the real target of these portal-to-portal decisions, if they were to be made, would be the United States Treasury.

The committee report on the bill calls attention to the fact that cost-plus-fixed-fee contracts in the War Department between 1941 and 1946 totalled between forty and forty-five billion dollars, and it was estimated by Under Secretary Royall that a potential liability could rest against the Government of $1,400,000,000 on those contracts alone. In addition to that, there were $100,000,000 worth of lump-sum contracts. While the Government may not have the same legal responsibility there, it would have a moral responsibility which would add another large amount.

I am a little perplexed by the following sentence from the committee report which says:

> There might also be an additional although apparently limited loss in connection with the renegotiation proceedings.

It would be limited only to the extent that when renegotiation is completed, the Government does have a fixed settlement. But the moral liability would still remain.

As was pointed out in a letter from Colonel Hirsch, which I placed in the RECORD a week or two ago, the contracts under renegotiation which have not been completed are those with contractors who were the obstreperous sort, generally speaking. Those who came in and were willing to renegotiate their excess profits have been settled and, while the Government liability there may be closed, it is not closed in those which have been less willing to settle, those who would now stand to benefit if this legislation is not passed.

Mr. GWYNNE of Iowa. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. GWYNNE of Iowa. The witness for the Government who appeared before the subcommittee pointed out that there would be liability in that field. It would merely be smaller than the liability in the other fields. The gentleman is entirely correct.

Mr. CASE of South Dakota. I am glad to have the statement of the chairman. All of this must be taken in consideration in connection with the announcement of the Treasury that if individual firms or employers were liable for judgments under these portal-to-portal claims, credit would be given to the employer in the year in which the claim was reduced to judgment. The significance of that is that the tax rate was higher a few years ago during the time when some of these contracts existed. The tax rate will be lower this year and in succeeding years when these claims may be reduced to judgments and the Treasury would suffer an additional loss, because it would admit the loss under a lower tax rate.

Apparently there is a feeling on the part of some folks that what you can get from the Government is all right; perhaps that does not hurt anyone. When I think of this I am reminded of a thing General Eisenhower said in a committee hearing the other day. He said that it was a regrettable thing in the history of the United States when we started dropping the word "patriotism" out of our Fourth of July speeches.

Now, for the life of me I cannot see any reason why claims should be defended when they cannot be made in good faith. I think section 3 of this bill, protecting the employer in the case of good faith, is one of the most important sections of the bill. I am glad the committee reported the bill with that section in it.

So, I repeat the real target would have been the Treasury of the United States in many of these claims. It is the responsibility of the Congress to protect the Treasury of the United States as much as the employer or the employee. That is what we are really protecting in passing this legislation.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. JAVITS. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

> Amendment offered by Mr. JAVITS:
>
> On page 5, line 23, after the word "employee", insert "covered by collective-bargaining agreement then in effect."
>
> On page 6, line 5, strike out the period after the word "representative" and substitute a semicolon and insert the following clause: "or upon the failure of an employer to pay any other employee for activities heretofore or hereafter engaged in by such employee other than those activities which at the time of such failure were specifically required to be paid for, either by custom or practice of the particular industry most nearly applicable to such activities, or by express agreement at the time in effect between such employer and such employee."

Mr. JAVITS. Mr. Chairman, I would like to read the section as amended so that you will get the meaning of it clearly:

> No action or proceeding of any kind, whether or not commenced prior to the effective date of this act, shall be maintained to the extent that such action is based upon failure of an employer to pay an employeee covered by a collective-bargaining agreement then in effect for activities heretofore or hereafter engaged in by such employee other than those activities which at the time of such failure were required to be paid for either by custom or practice of such employer at the plant or other place of employment of such employee or by express agreement at the time in effect between such employer and such employee or his collective-bargaining representative; or upon the failure of the employer to pay any other employee for activities heretofore or hereafter engaged in by such employee other than those activities which at the time of such failure were specifically required to be paid for either by custom or practice of the particular industry most nearly applicable to such activities or by express agreement at the time in effect between such employer and such employee.

Mr. Chairman, this amendment goes to the heart of this bill. It is not an amendment for the purpose of making some minor changes. It seeks to separate the sheep from the goats in this way: First, it states that this bill shall stand as is with respect to those cases in which a collective-bargaining agreement exists. I am firmly of the opinion that in no case where people meet and bargain should they get a greater advantage than what they bargained for. The bill, however, is not confined to collective-bargaining agreements; it goes into the whole question of the protection of the Fair Labor Standards Act for people who are not covered by collective-bargaining agreements, and the major portion of the workers of the country are not. I am a Republican who was elected to come here and defend labor and employer alike—to give them justice—and that is what I am here speaking for. I want justice done in this bill, and in justice I am against portal pay suits where those portal pay suits are drummed up by unions for the purpose of getting advantage they never bargained for. But I am not for any act where a man may be victimized under the Fair Labor Standards Act—an act which was designed to prevent such victimization.

My amendment simply separates collective-bargaining agreements from others and does justice by everybody.

I should like to make just one further observation: The majority which the Republican Party now has was created by men elected from the big cities, just like me, and it has lifted Republicans—many of whom have been here for years in the minority—lifted them into the majority. Let us not forget that. I campaigned—and I think many of my colleagues campaigned—on a platform of even-handed justice. That is all I ask be done; and, Mr. Chairman, do not forget this other thing—this is not an inconsequential bill; this bill will be considered the length and breadth of America as a pilot-plant vote by the Congress, as to whether it is going to be just to labor and employer alike—as to whether

it is going to legislate with a cutlass instead of a scalpel, which is the instrument that should be used in any legislative procedure.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. MICHENER. The gentleman says his amendment refers only to collective-bargaining agreements and not to cases where there are no collective-bargaining agreements. In the latter cases the employee would have no protection. In other words, it would only protect union shops where there is collective bargaining and not anyone else who did not happen to have a closed shop and collective bargaining. This latter group would not be protected by the amendment offered by the gentleman from New York.

Mr. JAVITS. May I say to the distinguished chairman of the Judiciary Committee that my amendment does exactly take care of that situation by doing the following: It protects those who have collective-bargaining agreements and it also covers those without collective bargaining agreements by providing in those cases that payment, and so forth, shall only be for practices customary in that industry in the absence of agreement between employer and employee. I cover them both.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GWYNNE of Iowa. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I can state my objection very briefly. The bill as written was designed to protect not only collective-bargaining agreements between a powerful union and an employer but was designed just as surely to protect the agreement between one workman and his employer.

The provision in the amendment relating to practice and custom would create this situation as I understand it. Let us assume there are four plants in the same industry in one community, that in three of those plants 15 minutes of these preliminary activities are paid for as a matter of custom and practice generally but that in the fourth plant the employer was a little more liberal and paid for 20 minutes of such time. Is there any reason why the better agreement or the better custom and practice in the one plant should not be recognized and enforced as to the employees of that plant? What we are trying to do in section 3 is to protect every collective-bargaining agreement about these activities and to protect every practice and custom which we assume must have entered into the minds of the people when they made the contract. I am afraid the amendment would introduce confusion where we have tried to write a section which will adequately cover all cases.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. CELLER. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, I must, indeed, admire the forthright and very courageous statement of the gentleman from New York in offering his amendment, which particularly provides that the custom and practice must prevail throughout the industry nearest appertaining thereto. Unless we do that, then you have different practices and customs in the very same area of production. You will have black spots and white spots in an industry. Different plants within an industry could have different conditions and wages of employment.

I would like to ask, What is custom and practice in a new enterprise, a new employer who goes into business? He could declare his own practice; he could write his own ticket; he could write his own law, because there is no practice theretofore established. If we do not have uniformity throughout the industry, if you do not adopt the amendment offered by the distinguished gentleman from New York, you will have uneven and unequal conditions throughout the length and breadth of a particular industry. You will have unfair competition and those types of employers who want to do the fair and honorable thing, pay adequate wages, and provide decent conditions, will have to meet at their own disadvantage the chiseling, the corner-cutting employers who do not provide for decent employment conditions and who do not pay decent wages.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. It seems to me that the gentleman's argument runs rather wide, although I am not going to bring that up. The gentleman overlooks the fact that, if this amendment means what he implies it to mean, it may result in setting up a basis for a claim which was not in the minds of either of the contracting parties at the time—either the employee or employer—and that the fair thing to do is to let the matter rest upon good faith and what was the meeting of the minds of the employer and the employee at the time the employment contract was entered into.

Mr. CELLER. I do not object to that. The amendment offered by the gentleman from New York provides that if there is an express agreement or if there is collective-bargaining agreement, that shall prevail. I am speaking in general of the workers who are not organized and do not bargain collectively.

Mr. CASE of South Dakota. Even without a collective-bargaining contract, there is a contract of employment, so to speak, between the individual employee and his employer and whatever the meeting of the minds of the employer and employee was at the time that he entered the employment relationship it seems to me should be allowed to prevail.

Mr. CELLER. I may say to the gentleman there are many cases where there are no collective-bargaining agreements and, therefore, custom and practice must prevail. What custom and practice? Shall it be the custom and practice of the individual establishment or shall it be the custom and practice in the area of production? It should be the latter and the New York gentleman's amendment provides for the custom and practice that prevails generally in the industry so that there will be an evening out of conditions and wages to all competing establishments of the industry.

I repeat the argument I made when I drafted the minority report to the bill:

> In our judgment the proposal to make the law depend on the custom or practice of the employer accomplishes a virtual destruction of any standards under an act which by its title is supposed to set standards, namely, the Fair Labor Standards Act.
>
> The bill proposes that the question of whether certain activities are or are not required to be compensated under the law is to be determined by the custom or practice of the employer. This means that a new employer setting up his business for the first time is free to write the law for himself. He will determine what is his custom or practice and that will determine what is the law as far as he is concerned.
>
> Even among employers already in business, the proposed bill means that instead of setting any uniform or even any minimum standard the law will vary from employer to employer. Those employers who have been more liberal and decent and who have compensated their employees fully for all activities engaged in for the benefit of the employer will be penalized. For them the law will be quite stringent, based on the decent practices they have followed.
>
> On the other hand, the employer who has cut corners, who has given the most restricted possible interpretation to his duties under the law, who has paid his employees as little as possible, who has required his employees to engage in a substantial amount of work without compensation, is to be favored under the proposed bill. He is to be rewarded for his sweatshop conditions. The more vicious his practices have been the more he is rewarded since the law, for him, will set standards as low as those he himself has set.

Mr. Chairman, for the reasons above set forth, I hope the amendment will prevail.

Mr. FERNANDEZ. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, the rules providing for the consideration of bills by the Committee of the Whole House on the State of the Union are for the purpose of permitting Members who are not members of a committee to have their own ideas about the matter expressed and considered carefully.

I think that this Committee ought to consider the amendment just offered by the gentleman from New York, which I think is most fair. Everybody agrees that these laws were written to protect men from being over-reached by employers; the men who could not protect themselves. We have unions now that are strong and that are able to protect their own men. We could do without some of these protective laws as to those men who are fully protected by their unions, but as to those who do not come in that category, I think that we should protect them by continuing protective laws as to them. This bill as written, I think, will weaken those laws. The gentleman's amendment is fair in that it reaches the problem without the danger of weakening those laws. I thoroughly agree with him.

Mr. KEFAUVER. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield to the gentleman from Tennessee.

Mr. KEFAUVER. It seems to me that the greatest value of the gentleman's amendment is that it would give a standard for a new industry starting out in a particular line of business in the matter of custom or practice to go by; otherwise it seems to me that an industry just beginning could declare its custom or practice to be anything it wanted to which might not be in conformity with the fair standards of that particular industry.

Mr. FERNANDEZ. I think so. I think the gentleman is correct. I think we ought to consider that amendment; in fact, I think all amendments so far offered today have been good amendments, and we ought to have considered them more carefully.

I started to say that I fully agree with the gentleman from New York. His amendment would tend to limit this act to the problem which is before us. In my own bill—H. R. 1440—and I ask the indulgence of the House if I may read a part of it—I tried to limit the act to the problem which is before us. My bill, in part, reads as follows in that respect:

SEC. 2. In any action now pending or hereafter instituted, based upon services performed by any employee prior to the effective date of this act, claim for which is based on the mandate of sections 6, 7, and/or 16 of the Fair Labor Standards Act of 1938 (act of June 25, 1938, ch. 676, as amended) and not upon the express or implied provisions of any contract, no compensation shall be allowed by the courts, either as compensatory or as liquidated damages where it is found by the court—

(1) that the services were rendered pursuant to a contract of employment defining the hours of work or workweek and entered into through collective bargaining and in good faith; or

(2) where the claim is based on items of time or services which were, pursuant to general and established custom and with the acquiescence of the employee, absorbed in the rate of pay but excluded from measured time; or

(3) where the claim is based on incidental activities required as preliminary or preparatory to the actual performance of productive work otherwise compensated, or required as incidental to the conclusion of such productive work, which incidental activities were not, because of usage or custom, included in the measured time and were not contemplated as items to be included in the measured time by either the employer or employee under the terms of employment express or implied.

I think this House ought to limit itself to the problem and not go out and broaden the bill to where it invites more trouble.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. The committee hearings have been going on for 3 weeks. Why did the gentleman not appear before the committee and present his proposal instead of coming on the floor of the House and taking up our time? The committee has now brought in a bill and you gentlemen come in with a lot of amendments to muddy up the waters, and we are not getting anywhere.

Mr. FERNANDEZ. Just a moment.

Mr. GAVIN. Let me take some time. I waited on the gentleman, and the gentleman yielded to me.

Mr. FERNANDEZ. I yielded to the gentleman for a question and he asked the question. Let me answer it.

In the first place, my bill was submitted to the gentleman's committee. If the gentleman did not look at it, that is not my fault.

Mr. GAVIN. It is not my committee. They tell me the committee was holding hearings on it.

Mr. FERNANDEZ. It was in the Judiciary Committee. I do not know whether the gentleman is on that committee or not.

Mr. GAVIN. I am not on that committee.

Mr. FERNANDEZ. The committee was holding hearings on the bill. My bill was before them and I assume was considered by them. Perhaps they did not quite agree with me. As to offering amendments here and taking up the gentleman's time——

Mr. GAVIN. You are taking up everybody's time.

Mr. FERNANDEZ. I think we are taking time in a good cause, and we ought to take time, and plenty of it, right here in this House.

The CHAIRMAN. The time of the gentleman from New Mexico has expired.

Mr. GAVIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I listened with a great deal of interest to the distinguished gentleman from New York [Mr. JAVITS], who told us he represents the great metropolitan area. I might tell the gentleman that I represent a rural area of Pennsylvania, and that the American people are sick and tired of the conditions that have been prevailing, and are watching the Congress, requesting that they be given relief from the conditions that have existed. The hearings on the bill have been held. The committee, I presume, has given everybody an opportunity to present any proposal they may have had, and why they have not I do not know. But most of the Members here are ready to vote on this legislation. Now amendment after amendment is being offered to muddy up the waters, with the result that we are unable to take definite action and clean up this matter and give the American people the relief they are asking. It is time for action and not talk.

COMMUNIST FOSTER PREDICTS DOWNFALL OF UNITED STATES BEFORE COMMUNIST CONGRESS IN ENGLAND

Mr. RANKIN. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Chairman, this is one of the most important measures that ever came before the Congress of the United States. For my part, I expect to follow the Judiciary Committee.

We had before our Committee on Un-American Activities on yesterday laborers who told how the strike in the Allis-Chalmers plant had been inspired by Communists and promoted and expanded by Communist influences. Those influences have been found behind every movement to paralyze industry in this country; and I think they are behind these suits.

A few days ago William Z. Foster, head of the Communist Party—the man who said that just as surely as the sun rises the Communists will take over this country, that when that day comes it will not be a capitalist government but a "Soviet government, and behind that government will stand the Red Army to enforce the dictatorship of the proletariat"—a few days ago this same William Z. Foster spoke to the Communists in England. Let me read you this news item from London on February 22:

Two thousand British Communists shouted today when William Z. Foster, head of the Red Party in the United States, opened the Communist congress here by telling them the news they all wanted to hear—that America was nearing a bust.

For months the British Communists, like Reds the world over, have been predicting the downfall of America, but getting the word straight from America made it seem final.

In other words, when William Z. Foster, whose pernicious influence is found in all these disturbances, went to England and assured them that America was on her way to a downfall, these enemies of civilization stood and applauded.

The paper quotes Foster as saying:

The economic crisis in America will shake not only that country but the entire capitalist world.

Then it says:

The ovation given him was tremendous.

Foster, in England as a reporter for an American Communist paper, is the distinguished guest at the congress, to which the Communist Parties in 30 countries have sent delegates.

After cheering Foster's obituary of America, the Communists heard the British party leader, Harry Pollitt, say that even under the present Labor government England could not meet competition from modern industrial America, and they cheered him when he denounced this American economic domination of the world.

Trained to expect the unexplainable contradictions in the Moscow party line, the Communists found no conflict in descriptions of America as dying, and a few minutes later as a ruler of the world.

The congress is the largest ever held in Britain. All of the 1,000 branches of the Communist Party in England, Wales, and Scotland have sent at least one delegate to the 3-day meeting—all expenses paid.

This man Foster has gone from one end of the country to the other spreading communism. His influence has been found stirring up strife in labor unions, stirring up and promoting strikes, and stirring up racial hatred. His influence is seen in the picketing of the National Theater here in Washington, and in the race rioting in Detroit, according to the Negro Nowell, who testified before our committee the other day. He plays the renegade, if not the traitor, to America

by telling the Communists in England that the United States is headed for the downfall for which he has been working.

It is time for real Americans to stand together to save America from such influences and to preserve this country for our children and our children's children.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. KEEFE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I assume it is entirely within the rights of any Members of Congress in the Committee of the Whole to offer amendments to legislation reported by any of the legislative committees.

May I say to the Members, however, that a bill which comes from the Committee on the Judiciary under the sponsorship of the distinguished gentleman from Iowa [Mr. GWYNNE] you may rest well assured has received most careful consideration. So far as I am concerned, not being privileged to serve upon any legislative committee of this House, but being obliged to be a drudge, so to speak, sitting in the background with the Committee on Appropriations trying to save a dollar here and there and trying to understand how in the name of conscience we are going to put our financial house in order, I want to remind you again this afternoon of the critical situation that faces our country and to arouse, if I can, from their lethargic attitude, the people not only of this Congress but of the country who seem unable to realize that we are sitting on top of a volcano which may erupt at any time.

It is important that this bill be passed. But, my colleagues, may I say to you, as the leaders of this Government in secret meetings are telling groups every day, it may be of small moment ultimately what we do here now unless we restore, protect, and preserve the economic stability of our country. The demands that are going to be made of you in the next few days, demands which must be met, are going to be staggering because of conditions which exist throughout the world.

I implore the Members of this Congress to take the position, wherever it can be taken as we proceed from day to day, to let the people of the United States know that, regardless of any line that may exist in this Chamber, there is one thing that, as Americans, we must be ruthless about. That is, if we are to save our country from collapse and keep it strong enough to maintain our commitments to the other peoples of the world, it will require heroic efforts on the part of the Members of this Congress.

As these bills come in, may I repeat—and they will start coming to this Congress shortly—there must be a new attitude manifested on both sides of this aisle. New vision must be brought to bear on this whole question if America is to survive. Realize, if you will, that unless we are just devastatingly ruthless in cutting down expenditures, we may be through as a nation sooner than we expect.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. KEEFE] has expired.

Mr. HOLIFIELD. Mr. Chairman, I rise to support the amendment offered by the gentleman from New York [Mr. JAVITS].

The gentleman from New York is one of the new Members of this House and he has presented an amendment in good faith. I think it is a good amendment and I want to support the amendment. If that amendment is defeated, which seems probable, because we have seen that most amendments have been defeated today, I still want to say that I shall support it. At this time I want to pay compliment to the gentleman from Iowa [Mr. GWYNNE] and other members of the Judiciary Committee who have handled this bill in the very fair manner in which it has been presented. They have not sought to cut out debate. They have not sought to keep Members from giving their ideas on amendments. I am somewhat amazed at the remarks of the gentleman from Pennsylvania [Mr. GAVIN] who just came to this well a few moments ago and gave some of the new Members on his side a tongue lashing for presenting amendments in Committee of the Whole. I wonder if the gentleman from Pennsylvania has ever offered an amendment to a bill presented by the committee.

Mr. GAVIN. No.

Mr. HOLIFIELD. I am glad to hear that. Now, will the gentleman sit down. I refuse to yield further. The gentleman had his 5 minutes to give the new Members a tongue lashing and now I am going to say something on behalf of the new Members. I want the new Members to know, if they do not already know it, that they have the parliamentary privilege of presenting amendments when in their good judgment and in their conscience they think an amendment should be presented. I have known very good bills to come to this floor and I have known them to be amended very remarkably to the welfare of the Nation as a whole. So when you present an amendment, present it in good conscience, because you think the people of your district sent you here for the purpose of producing a good piece of legislation. When one of the older Members gets up and gives you a tongue lashing and implies you are reflecting on the judgment of the members of the committee which brought in the bill, it is just so much hogwash. It does not amount to anything. It is a grandstand play for the benefit of the galleries.

The CHAIRMAN. The time of the gentleman from California [Mr. HOLIFIELD] has expired.

Mr. ROGERS of Florida. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am going to support this bill. I think it is a constructive bill. I think this is a time when Congress should concern itself with legislation such as this that will bring about better days not only for industry but for the workingman. We have a job before us to do, and I hope that both Republicans and Democrats have the stamina, I hope we have the character, I hope we have at heart sufficiently the interest of this country that we will come here and vote for those measures that are good for the country and not for any particular class, any particular organization, or any particular industry.

I wish to congratulate the gentleman from Iowa [Mr. GWYNNE] for bringing in this constructive measure. His explanation of the bill on yesterday was one of the finest, one of the most lucid, I have ever listened to, and I went immediately to him and congratulated him on his fine explanation of the bill. I have read the bill; I have studied it. It contains one provision, however, that I do not like, and I am sure that if the gentleman from Iowa [Mr. GWYNNE] got the same reaction from this bill that I did, this particular phraseology would not be in the bill. I intended to offer an amendment, but at the time that portion of the bill was reached I happened to be out of the Chamber preparing the amendment, so I cannot offer it now except by unanimous consent, but I wish to read this language and submit it for the consideration not only of the gentleman from Iowa but of the membership at large. I speak particularly with reference to the paragraph beginning in line 12 on page 5:

> In any action pursuant to any of the acts mentioned in section 5 hereof the court, if it finds that the violation of the law giving rise to such action was in bad faith and without reasonable ground—

Then the court may, in its discretion, award damages or penalty, and so forth.

Now, under this language the court has got to find these two things, that it was brought in bad faith and without reasonable ground—

> may in its sound discretion award not to exceed—

And so forth. This provision of the bill alleges two conditions: After the court has found it is in bad faith and has found that it is without reasonable ground. But you still repose in the court the duty then to say whether or not in the court's sound discretion a judgment should be awarded. Congress should not pass the buck like that. Why should we pass it on to the courts? Why does not the Congress say in simple language that if you, Mr. Judge, find that the action is in bad faith, if you find it is without reasonable grounds you shall award certain damages? If you do not do that, you had just as well strike out the penalty in the original bill.

Let us not throw on the courts the responsibility which belongs to Congress, the responsibility which is our duty. Let us not shirk our duty. Let us not put a subterfuge in this bill and try to dodge a responsibility which is ours. Let us adopt language so clear there will be no question of doubt, absolutely none. The reason we are here now considering this bill is because Congress failed to do its duty to define in the Fair Labor Standards Act what is meant by a workday. This was left to the court to define, and portal-to-portal pay was permitted under the court's decision. Congress failed to legislate fully and the court legislated for us.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. FERNANDEZ. Mr. Chairman, I ask unanimous consent that the gentleman from Florida may proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield.

Mr. FERNANDEZ. The first words I uttered in this House today were that, regardless of whether amendments were adopted or not, I was going to support this bill wholeheartedly. I supported a similar bill in the last session and I am going to support it again regardless of whether or not amendments are adopted.

I wish to join the gentleman from Florida in complimenting the gentleman from Iowa [Mr. GWYNNE], the chairman of the committee, for this excellent bill. I do not hesitate to say that it is better than mine, although I was very proud of my own.

Mr. ROGERS of Florida. I am sure every Member of Congress wants to be fair. We want to be honest. We want to deal with every particular section of our economy, with labor, management, and the citizens at large.

I say that this Congress should not pass that responsibility and say that after you have found those facts you still have a discretion. Let us not do that.

The CHAIRMAN. The time of the gentleman from Florida has expired.

The question is on the amendment offered by the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I ask unanimous consent that the amendment be read again.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

The Clerk reread the pending amendment.

Mr. SABATH. Mr. Chairman, I would like to be heard.

The CHAIRMAN. The question has been put and I think the gentleman's request comes too late.

Mr. SABATH. I have not heard it put.

The CHAIRMAN. If there is no objection, the distinguished gentleman from Illinois may proceed for 3 minutes.

Mr. SABATH. For 3 minutes?

The CHAIRMAN. Yes. Did not the gentleman ask for 3 minutes?

Mr. SABATH. No. I am rising for the purpose of supporting the amendment offered by the gentleman from New York.

The CHAIRMAN. The gentleman will be recognized for 5 minutes, if there is no objection.

There was no objection.

AMENDMENT TO GWYNNE BILL

Mr. SABATH. Mr. Chairman, I am of the opinion, personally, that this is a splendid amendment and I favor its adoption, but I realize and understand that because it might aid and protect the laboring man to some extent in his rights the gentlemen on the Republican side, I am certain, will vote solidly against it.

The gentleman from Wisconsin [Mr. KEEFE] showed a little while ago that he was very much interested in financial stability and made a great plea, as he is capable of doing, for that happy condition. Unfortunately, no such plea was made by anyone on the Republican side when the so-called Ruml plan was considered and forced through Congress. That action cost the Nation about $6,000,000,000. No such plea was made when a vote was taken on the carry-back provisions under which the Government is now refunding millions upon millions of dollars to the manufacturers. Nor was any such plea made when the excess-profits-tax legislation was before us, which permitted the profiteers of this Nation to get away with some $3,000,000,000. At that time the gentlemen on the Republican side had confidence in their ability to have the Government pay for any possible losses that business employers might sustain by their willful and deliberate refusal to agree to fair pay adjustments with their labor.

LABOR ALSO LOST MILLIONS

But labor lost millions of dollars in wages in those work stoppages, and the workmen and their families suffered privation of the most severe kind. In some States, denied the benefits of unemployment insurance, they used up their savings, if they had any, drained the union treasuries, and were succored by sympathizers who were in their turn smeared by Red-baiting columnists.

Who made up to the workers the wages they lost?

Nobody.

Not so with Westinghouse Electric Corp., with General Motors, and with other corporations.

Under leave given me, Mr. Chairman, I insert at this point a news report from the staid and respectable New York Times; in fact, from the financial pages of the New York Times for yesterday, February 27.

This article explains how tax refunds from the carry-back tax gifts enabled Westinghouse to have an operating loss of $59,768,997 but a net profit of $8,823,846 in the year 1946. Members may recall that 2 months ago the president of the company expected to have a net profit of only $4,000,000. Even that was considerably more than the net profits of Westinghouse workers in 1946, who were virtually locked out of the plants for 4 months last year when the company refused even to discuss terms of the contract. The company had confidence in the Congress; the workers had confidence only in their cause.

The text of the New York Times story is as follows:

OPERATIONAL LOSS FOR WESTINGHOUSE—$59,768,997 DEFICIT IN 1946 AGAINST $48,443,839 NET IN 1945 LAID TO STRIKE

The Westinghouse Electric Corp. had an operating loss last year of $59,768,997 in contrast to an operating profit of $48,443,839 in 1945, the annual report disclosed yesterday. Tax refunds arising from the carry-back feature of the Federal tax laws and other income, however, enabled Westinghouse to show a net income of $8,823,846 for 1946, which compared with the net income of $26,744,055 the year before.

Gwilym A. Price, president, explained the large operating loss resulted from a strike last year that lasted 4 months, scarcity of materials, inadequate prices under the Office of Price Administration, and expansion outlays. While operating losses continued throughout the first 11 months of 1946, improvement in production and prices was reflected in an operating profit of $1,446,763 in December, he declared.

Unfilled orders at the close of last year reached a new peacetime high of $589,583,459 which compared with $303,873,749 a year earlier. Notwithstanding the production difficulties during the year, output, as represented by net sales billed, also made a new peacetime high of $301,691,788, Mr. Price points out. This, however, was substantially below the 1945 figure of $685,132,854, most of which represented war production.

OTHER COMPANIES GET SAME BENEFITS

I wish I could take the time and space to continue to quote from this same newspaper—from page 35 of the New York Times of February 27. It is filled with cheering news. Profits are everywhere—cash dividends, stock dividends, expansion programs, new high record sales, new high profits.

But I shall pass over this interesting and optimistic page of reports, except to note that the carry-back provisions added substantially to the net profits of R. G. Le Tourneau, Inc., and of Ryan Aeronautical Co.

Now let me paraphrase from another publication which would never be accused of unfriendliness to business, big or small, Moody's Industrials, reporting on another great industrial unit which, you may recall, had a little labor trouble last year.

I refer to General Motors Corp.

In the first 9 months of 1946 this far-flung industrial empire lost $68,000,000; but an $82,000,000 tax credit turned that operating loss into a net profit of $14,000,000. I wonder if all the unions of which you Republicans seem so fearful have total assets as great as this profit?

WHERE ARE REPUBLICAN PROTESTS AGAINST THESE VAST GIFTS TO CORPORATIONS?

How many more millions of dollars will be thus refunded to war profiteers and multimillion corporations no one can now foretell.

But it can be prophesied with absolute certainty that there will be no Republican squawks against this law which bestows so many generosities on corporations, and enables them to turn a lockout into a net profit.

With equal certainty it may be foretold that whenever and wherever the underpaid employees seek their rights, under the law, to recover unpaid wages for overtime work—oh, Mr. Speaker, what a hue and cry will then be raised.

Obviously, then, in the face of this predetermined judgment no amendment which might minimize or mitigate such discriminatory antilabor legislation as this has the slightest chance of adoption; and the bill, I feel sure, will be forced through with an almost unanimous vote from the Republican side.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I cannot yield.

Mr. KEEFE. The gentleman referred to me.

Mr. SABATH. I referred to the general vote.

Mr. KEEFE. The gentleman referred to the gentleman from Wisconsin.

Mr. SABATH. I referred to the statement that the gentleman made on the floor.

Mr. KEEFE. The gentleman declines to yield?

Mr. SABATH. I decline to yield because I only have 5 minutes.

REPUBLICAN TAX POLICY, IF ANY, PROMISES MILLIONS TO MILLIONAIRES

Mr. Chairman, not content with all this prodigal generosity to the profit-gorged vested interests, the gentleman from Minnesota [Mr. KNUTSON], the chairman of the powerful Committee on Ways and Means, comes in with a demand for a straight, across-the-board, 20-percent cut in income taxes.

This means millions for millionaires, pennies for the people.

I realize that it is highly debatable that there is a Republican tax policy.

It is somewhat difficult to read the widely differing reports from Republican leaders and know just what the official party policy is.

The one thing we can be reasonably sure of is that their policy, as it finally comes out in the revenue act, will sock the poor and coddle the rich.

DRY THOSE CROCODILE TEARS

O Mr. Chairman, the crocodile tears that have been shed on this floor for the poor, oppressed business interests that are being oppressed and bankrupted by the portal-to-portal pay suits, so-called.

Unfortunately, many well-intentioned, sincere, and honest men have permitted themselves to be influenced by these far-fetched statements made here on the floor and in the press and in the unending flood of propaganda we receive in our offices from high-pressure lobbyists.

I have risen to bring to you the real facts, and to show that there is no more justification for these crocodile tears than for any belief that you will not vote solidly for this and for every other piece of legislation proposing to protect capital and industry at the expense of the American wage earner.

THESE ARE THE FACTS

I will give you the facts.

You have heard, as I have heard, that if all the so-called portal-to-portal pay cases filed were upheld in the courts it would cost $10,000,000,000 and bankrupt American industry.

The fact is that it is impossible to estimate what the total back-pay bill would be.

The $10,000,000,000 figure has been exploited because it sounds huge; yet that could be arrived at only if the courts held that every minute of preparatory time had to be paid for.

But in the key case, the Mount Clemens Pottery case, the court did not so hold.

CASE DISMISSED AS INSUBSTANTIAL

The fact is that the principle that work done should be paid for has been upheld; but the key case was dismissed on the grounds that the preparatory time for which pay was sought was not sufficiently substantial to establish a claim, although the master's finding showed it averaged about 15 minutes.

Therefore, the fact is that the total bill for back pay probably would not exceed $1,000,000,000.

Most fair-minded Americans accept the principle of pay for work performed.

INDUSTRY IN NO DANGER OF INSOLVENCY

But if the courts did uphold all the pending cases for back pay for preparatory work, I can find no imminent danger of bankruptcy, insolvency, and industrial chaos in the picture.

We must remember that whatever the liability is, that liability is actually a part of production costs, and as such a charge against total costs before taxes. American corporations have paid taxes upon production costs which did not include portal-to-portal pay. The Federal Treasury has received tax revenues upon profits that have not included portal-to-portal pay.

WILL GET TAX REBATE, TAKE NO LOSS

If the court upholds any given suit and awards judgment, it will then become the legal obligation of the corporation to pay for the preparatory work, in which case the Government will have to refund taxes paid on that portion of the profits which now will be legally returned to the workers involved. The corporations would have their undistributed profits on earned surpluses reduced to the extent of the wage payments. Had the corporations, from 1939 on, paid for preparatory work their earned-surplus positions and the Treasury's tax revenue would have been adjusted accordingly.

Consequently, the fact is that there is really no loss to the corporations and no loss to the Federal Government if the claims are paid.

Moreover, the burden of paying the claims would not fall on the corporations alone. For the war years 85 percent would be borne by the Government, and for 1946, 30 percent by the Government.

CORPORATIONS HAVE FARED WELL

According to the Securities and Exchange Commission, and again these are facts, the net working capital of United States corporations in 1939 was $24,600,000,000. In 1945 it had grown to $52,000,000,000. By the end of the third quarter of 1946, these corporations—which we have been assured are on the verge of financial collapse because of labor demands—had increased their working capital to $55,400,000,000. I should like to point out that that is not only an increase of $30,800,000,000, or 100 percent above the 1939 position, but also approximately equal to one-fifth of our total national debt.

Working capital is nothing more than the difference between total current assets and total current liabilities of corporations.

The assets position of our corporations has been improved mainly through earned surpluses. Most of this earned surplus was, during the war years, put into one of three categories of assets: increased inventories; increased cash balances; increased holding of United States Government securities.

LIQUID ASSETS OF CORPORATIONS UP OVER 600 PERCENT IN 7 YEARS

The cash balance of American corporations increased from $10,900,000,000 in 1939 to $22,300,000,000 in the third quarter of 1946, or more than 100 percent.

Their holdings of United States Government securties increased in the same period from $2,200,000,000 to $16,200,000,000, or over 600 percent.

The claim made by the National Association of Manufacturers that the portal-to-portal pay claims can break American corporations because the claims exceed current profits is a bald misrepresentation of facts. The fact is that it is working capital or net current assets position of the corporations which determines their ability to pay.

INDIVIDUAL CORPORATIONS PROVE TOTALS

I have been talking about total figures for all American corporations, big and little. I will not take up time and space with a long catalog; here are just a few examples: United States Steel has increased its working capital from $432,000,000 to $600,000,0000 in 7 years. Westinghouse has increased its working capital from $102,000,000 to $245,000,000 in that period. General Motors—and remember that I am reducing this to simplest terms, for there are other favorable factors involved—has increased its working capital from $434,000,000 in 1939 to $775,000,000 in 1945.

As to smaller companies, I quote from the Federal Reserve Bulletin of December 1946:

> The improvement in financial position during the past 5 years has been relatively greater in small and middle-size concerns than in larger concerns. This is because of the relatively greater increase in sales, profits, and assets * * *. At the end of 1945 the small and middle-size concerns were probably in a more liquid position than they had ever been in the history of the country.

FARMERS TOO ARE IN CLOVER

Nor are the farmers suffering right now.

I quote now from the January issue of Illinois Business Review, published by the College of Commerce of the University of Illinois, which I just received this morning:

CASH FARM INCOME

> Cash-farm income in Illinois jumped to a record peak of $206,077,000 in October 1946, almost three times the figure for September, up 35.8 percent for the year, and more than five times the average for 1935–39. In the United States as a whole, October income rose 65.4 percent from September and 40.7 percent from October 1945. Illinois cumulated cash-farm income for the first 10 months of 1946, $1,066,716,000, was 13.5 percent greater than for the comparable period of 1945.

Lest it escape you gentlemen, for it did not escape me, note that this sudden increase of 65.4 percent in farm income in October followed the murder of OPA and preceded the November elections.

I wonder if, a year from now, farm profits will still be on the increase as they have been in recent years. Can you Republicans continue to reap the advantage of wise Democratic administration? Will the index of farm prices still

be above 250 percent of the base years of 1935–39? Will farm incomes top 500 percent of the base price?

ANTILABOR LEGISLATION DESTROYS PROSPERITY

This kind of antilabor legislation destroys prosperity, because it destroys the purchasing power on which all these high profits, high sales, high business indices of every kind are based.

You will encourage high corporate profits at the expense of workers, so workers buy less, so farmers get less, so farmers buy less, so workers are laid off, so sales drop, so profits begin to drop.

I may at another time insert in the RECORD a table showing how 1946 corporation profits rose over 1945 profits. Right now it is enough to say that for one company it was 760.5 percent; for another 487.6 percent; for a third, 322.9 percent. Fifty big companies increased their profits from 22.7 percent to the top figure I just cited in 1 year.

Estimated profits in 1946, after taxes, are $11,800,000,000, and in 1947 are projected at $16,100,000,000 after taxes.

Our annual national production rate for 1946 is now estimated at $185,000,000,000 gross, four times as great as under President Hoover, while estimates based on Government figures indicate that in 1947 the national product will exceed $200,000,000,000 in value.

Consequently, I find it difficult to become frightened by all the forebodings that have been shown here, by the NAM propaganda, and the cries of disaster. I only hope that by passing this bill and other restrictive and discriminatory bills of like intent you do not bring on the disaster you so fear and retard our progress and destroy our prosperity.

In conclusion, Mr. Chairman, though I could continue to cite facts and then more facts, I can only repeat that I deplore these alarmist statements and only hope that they do not frighten away our present good fortune.

Mr. JAVITS. Mr. Chairman, I ask unanimous consent to proceed for 1 minute to make a personal explanation.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Chairman, I think it is only fair to my colleagues who are on the Committee on the Judiciary to say that I have the highest regard and respect for their judgment, that I did distribute copies of my amendment to the members of the subcommittee headed by the distinguished gentleman from Iowa [Mr. GWYNNE] some days ago, and that all has proceeded with complete cooperation and graciousness. I think there should be no misconception on that score whatever.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. JAVITS].

The question was taken; and on a division (demanded by Mr. JAVITS) there were—ayes 53, noes 131.

So the amendment was rejected.

Mr. KEFAUVER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KEFAUVER: Page 6, line 1, after the word "by", insert "lawful."

Mr. KEFAUVER. Mr. Chairman, this amendment is not offered for the purpose of emasculating the bill or of creating any confusion in connection with it. I sincerely believe and feel that this amendment would greatly improve the bill.

Section 3 provides that no action shall be brought for any wages which violate a custom or practice of a particular employer; that is, conditions that grew out of either a custom or practice in the particular industry shall not be considered the subject matter of a suit. The question presented here is whether you want to sanction an illegal custom or whether you do not. All my amendment says is that if that custom is lawful, then no suit may be brought for wages or any claim growing out of that lawful custom or practice. If the custom is unlawful, I cannot believe that the Members of the House want to give sanction to it and to protect that industry in the event it is following an unlawful, illegal custom or practice.

Some may argue that the words "custom or practice" standing alone would mean a lawful custom or practice. If that is true, and if that is your position about the matter, what harm would be done by inserting the word "lawful" to make doubly sure that it is a lawful custom or practice that we refer to and protect?

But I am afraid that the words "custom or practice" in line 1 of page 6 are not confined to lawful customs and practices. In other words, I am afraid this language would enable an industry to start out and have the management declare, "In this industry the custom or practice is to pay one-half of the minimum provided in the Fair Labor Standards Act," or to pay any amount that they may want to establish as their custom, or to pay any amount that would permit that industry to be in violation of the other labor laws that are dealt with in this bill and say, "That is the custom." Then there is nothing anyone can do about it. So let us at least provide that they must begin their industry in compliance with the lawful custom or practice of the particular industry.

Mr. GWYNNE of Iowa. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield to the gentleman from Iowa.

Mr. GWYNNE of Iowa. Is not the trouble with the gentleman's amendment that under the decision of the Supreme Court in the Mount Clemens case it refused to recognize custom? Therefore, if we say this bill applies only to lawful custom, are we not running rather counter to our efforts to upset that decision?

Mr. KEFAUVER. I do not think so. The only thing I am concerned about is that we do not allow one side, industry, to completely write its own ticket as to the meaning of these laws by saying, "This is the custom and practice in this particular industry." Let us require it to be a lawful custom and practice.

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield to the gentleman from North Carolina.

Mr. FOLGER. Going a little further than that, does not this make the custom or practice that is established by any employer regardless of what may appear in the industry generally the law, if this is adopted?

Mr. KEFAUVER. It makes it the law as to that particular plant, whether it is legal or not, and regardless of what the custom is in the industry generally, unless this word "lawful" is written into the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. KEFAUVER].

The question was taken; and on a division (demanded by Mr. KEFAUVER) there were—ayes 48, noes 100.

So the amendment was rejected.

Mr. HOLIFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOLIFIELD: On page 6, line 1, after the word "for", strike out "either by custom or practice of such employer at the plant or other place of employment of such employee or."

Mr. HOLIFIELD. Mr. Chairman, this seeks to do in a simple way what the amendment offered by the gentleman from New York [Mr. JAVITS] and the amendment offered by the gentleman from Tennessee [Mr. KEFAUVER] sought to do, which was to put some specific meaning on the phrase "custom or practice." The amendments to accomplish this purpose have failed. There is no doubt in the world that this amendment will fail, too, because the steam roller is working pretty well. I notice only about five or six of the Members on the Republican side voted for the amendment offered by the gentleman from New York.

If they fail to get a crust of bread from their parents, why should I expect anything but a stone? But there is a great deal of concern on the part of some of us as to the bringing in of this new phrase, "custom or practice." It is indefinite and may be used by chiseling employers to substantiate wage rates in their industry which will in effect not only hurt the employees but may hurt other employers. The bill proposes that the question whether certain activities are or are not to be compensated for under the law is to be determined by the custom or practice of an employer. It does not specify whether that custom or practice is in one of the low-wage States or one of the high-wage States or in an adjoining town or across the street or any other specific limitation on the meaning of "custom or practice."

I submit to you that if those words which I have asked to be eliminated are eliminated, then the vagueness is eliminated and the prohibition against an action resolves itself to the terms of an

agreement, whether it be collective bargaining or individual agreement between employer and employee. Certainly that is what we want to get at. If an employer and an employee have certain terms in their agreement, certainly the employee should not be allowed to sue the employer for additional moneys which are not included in that agreement. That is just a matter of common justice. That is what the committee hopes to attain in this act which they have presented in good faith, and it is what I hope to attain.

I ask that consideration be given to take out this indefinite wording, this phrase, "custom or practice," and permit the filing or not filing of a suit to depend upon an agreement between the employee and employer, whether it be a written or verbal agreement. It could still be substantiated in court and would prohibit the employee from suing and collecting any damages for something that was not in the verbal or written agreement.

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. FOLGER. Therefore, it is not proposed by your amendment, nor was it proposed by the amendment offered by the gentleman from New York, to avoid an agreement?

Mr. HOLIFIELD. Absolutely not. I think, as an employer myself, that the employer and employee should have an agreement, preferably in writing, and if not in writing, at least verbal.

Mr. FOLGER. Is it not true when you adopt this language "by custom or practice of such employer" you take that category of people entirely out of the provisions of the Fair Labor Standards Act?

Mr. HOLIFIELD. I think you do. I think it would supersede it to that extent and would modify it to the extent at least of giving a chiseling employer grounds for substantiating a chiseling practice against employees and against other employers.

Mr. ROBSION. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman.

Mr. ROBSION. Does the gentleman contend that the employee and employer could enter into any agreement which would take away the protection of the minimum wage or time and a half?

Mr. HOLIFIELD. Certainly, and if that is not the case, then this wording is superfluous and should be removed.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. JENNINGS. The proposition you are advancing is disadvantageous to the worker.

Mr. HOLIFIELD. I do not think so.

Mr. JENNINGS. You say in effect by your amendment that if a worker is performing work which according to custom or usage existing between him and the employer entitles him to be paid he cannot have that pay.

Mr. HOLIFIELD. I do not think so. The gentleman is wrong.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HOLIFIELD].

The question was taken; and on a division (demanded by Mr. HOLIFIELD) there were—ayes 36, noes 113.

So the amendment was rejected.

The Clerk read as follows:

SEC. 4. No court of the United States, and no other court, deriving jurisdiction under or pursuant to a law of the United States, over actions, causes of action, or proceedings defined in this act, shall have jurisdiction to entertain, proceed with, impose liability in, or enter judgment upon any such action except in accord with the conditions, limitations, and policies herein prescribed, whether or not such action was commenced prior to the effective date of this act, except actions upon which final judgment was entered prior to such effective date and from which no appeal had been or could be taken.

SEC. 5. This act shall apply to all actions, causes of action, or proceedings arising under or pursuant to the act of June 30, 1936, as amended (49 Stat. 2037; 41 U. S. C., secs. 35–45); the act of June 25, 1938 (52 Stat. 1069; 29 U. S. C., secs. 201–219); and the act of August 30, 1935, as amended (49 Stat. 1011; 40 U. S. S., secs. 276a–276c). Any parts of said acts inconsistent with any provision of this act are to such extent hereby repealed.

Mr. PRICE of Illinois. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. PRICE of Illinois: On page 6, after line 24, insert the following new section:

"SEC. 6. Nothing contained herein shall permit the lowering of any existing wage or hour standards now contained in any laws of the United States mentioned in section 5 hereof."

Mr. PRICE of Illinois. Mr. Chairman, I have offered this section as an amendment to this measure in order to clarify its effect on existing laws that have become cornerstones in our basic industrial economy.

I am certain that anyone who will approach this matter in a fair-minded way will agree that it is not the intent of the authors of the bill to disturb existing wage and hours structures provided for in other laws. In the event that the Davis-Bacon Act, the Walsh-Healey Act or the minimum wage provisions of the Fair Labor Standards Act were disturbed it would be a death blow to thousands of unorganized American workers who are now working under substandard conditions.

The leaders of both major parties have committed themselves to increases in the minimum wage provisions of the Fair Labor Standards Act. I feel certain that had this bill been considered by the Committee on Education and Labor of the House, who are experts in legislative matters affecting labor relations, provision would have been made to prohibit the lowering of any existing wage or hour standards as mentioned above.

I sincerely hope that the House will adopt this section as an amendment in order to guard against a recession in the progress of America's underprivileged workmen.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. GWYNNE of Iowa. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am sure the gentleman offers this amendment in the same spirit that actuated the committee. That is, that nothing will be done here which will damage the great essential features of the wage-and-hour law. Nevertheless, I think the adoption of this amendment might bring considerable danger to this bill. I will read the amendment:

Nothing contained herein shall permit the lowering of any existing wage or hour standards now contained in any laws of the United States mentioned in Section 5 hereof.

That means any law of the United States as presently construed by the highest court of the land. The very thing we are trying to do here is to disagree with the construction of the wage-hour law put on it by the Supreme Court. For example, the Supreme Court has construed the workweek provision to include as compensable time, time which was agreed should not be compensable. That is the law now, that is the standard now of the wage-hour law as interpreted by the Supreme Court. It is now interpreted to include certain travel time, certain preliminary activities which it had been agreed by employers and employees either by agreement or through customs and practices were not compensable. Now we are taking that out, and I suppose in that particular we are reducing the standard of the wage-hour law as interpreted by the court.

I suggest that the amendment be voted down.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE of Iowa. I yield.

Mr. JENNINGS. In other words, this amendment is an effort to suspend and take away from the Congress the right to express its legislative will on this proposition.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE of Iowa. I yield.

Mr. HOLIFIELD. I do not know whether I heard the gentleman aright or not, but did the gentleman make the statement or admit the fact that this bill would reduce the wage standards under the present Fair Labor Standards Act?

Mr. GWYNNE of Iowa. I am sure the gentleman heard me; I am sure the gentleman understands me.

Mr. HOLIFIELD. Will the gentleman please explain what he said to me?

Mr. GWYNNE of Iowa. I will explain it again. We have been very careful to put nothing in this law which would take away the essential features of the wage-hour law. The very thing which has caused the trouble is that the Supreme Court has given it a construction which will result in raising, if you want to say that, the wage standards of certain workers of this country by $6,000,000,000 at the expense of everybody else. That is just exactly what we are trying here to prevent.

Mr. HOLIFIELD. Does not the gentleman believe that this bill will go far beyond that?

Mr. GWYNNE of Iowa. No, no; certainly not. The bill is designed to overcome the decision of the Supreme Court.

Mr. HOLIFIELD. The gentleman does not believe that this is only a bill to prevent portal-to-portal pay suits, does he? He means, does he, that it does not go beyond that factor?

Mr. GWYNNE of Iowa. All I am saying is this: I am afraid this amendment may introduce a very disastrous factor into the bill. It may upset the entire bill. Possibly I am not making myself clear, but this might nullify the very thing we are trying to do in this bill.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE of Iowa. I yield.

Mr. HALLECK. The gentleman's amendment, if adopted, might be so construed as to reinstate portal-to-portal pay suits.

Mr. GWYNNE of Iowa. Absolutely.

Mr. HALLECK. And that is the very thing we are trying to stop.

Mr. GWYNNE of Iowa. That is exactly what I am getting at; in other words, the law will be as construed by the last decision of the Supreme Court, exactly what we are trying to get away from.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

The question is on the amendment offered by the gentleman from Illinois.

The amendment was rejected.

The Clerk read as follows:

SEC. 6. If any provision or portion of any provision of this act or the application thereof to any person or circumstance is held invalid, the remainder of this act and the application of such provision or portion thereof to other persons or circumstances shall not be affected thereby.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. JENKINS of Ohio, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 2157) to define and limit the jurisdiction of the courts, to regulate actions arising under certain laws of the United States, and for other purposes, pursuant to House Resolution 117, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. CELLER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. CELLER. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. CELLER moves to recommit H. R. 2157 to the Committee on the Judiciary with instructions to report the same back forthwith with the following amendment: On page 3, line 17, strike out "1 year" and insert "2 years."

Mr. MICHENER. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. CELLER) there were—ayes 42, noes 219.

Mr. CELLER. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. MICHENER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 345, nays 56, not voting 31, as follows:

[Roll No. 16]

YEAS—345

Abernethy	Coudert	Hill
Albert	Courtney	Hinshaw
Allen, Calif.	Cox	Hobbs
Allen, Ill.	Cravens	Hoeven
Allen, La.	Crawford	Hoffman
Almond	Crow	Holmes
Andersen, H. Carl	Cunningham	Hope
Anderson, Calif.	Curtis	Horan
Andresen, August H.	Dague	Howell
Andrews, Ala.	D'Alesandro	Jackson, Calif.
Andrews, N. Y.	Davis, Tenn.	Jarman
Angell	Deane	Jenison
Arends	Devitt	Jenkins, Ohio
Arnold	D'Ewart	Jenkins, Pa.
Auchincloss	Dirksen	Jennings
Bakewell	Dolliver	Jensen
Banta	Dondero	Johnson, Calif.
Barden	Donohue	Johnson, Ill.
Barrett	Dorn	Johnson, Ind.
Bates, Ky.	Doughton	Johnson, Tex.
Bates, Mass.	Drewry	Jones, Ala.
Battle	Durham	Jones, N. C.
Beall	Eaton	Jones, Ohio
Beckworth	Elliott	Jonkman
Bell	Ellis	Judd
Bender	Ellsworth	Kean
Bennett, Mich.	Elsaesser	Kearney
Bennett, Mo.	Elston	Kearns
Bishop	Engel, Mich.	Keating
Blackney	Evins	Keefe
Bland	Fallon	Kefauver
Boggs, Del.	Fellows	Kerr
Bolton	Fenton	Kersten, Wis.
Boykin	Fernandez	Kilburn
Bradley, Calif.	Fisher	Kilday
Bradley, Mich.	Flannagan	Knutson
Bramblett	Fletcher	Kunkel
Brehm	Folger	Landis
Brooks	Foote	Lanham
Brown, Ga.	Fulton	Larcade
Brown, Ohio	Gallagher	Latham
Bryson	Gamble	Lea
Buck	Gary	LeCompte
Buffett	Gavin	LeFevre
Bulwinkle	Gearhart	Lemke
Burke	Gifford	Lewis
Burleson	Gillette	Lodge
Busbey	Gillie	Love
Butler	Goff	Lucas
Byrnes, Wis.	Goodwin	Lyle
Camp	Gossett	McConnell
Canfield	Graham	McCowen
Cannon	Grant, Ala.	McDonough
Carson	Grant, Ind.	McDowell
Case, N. J.	Gregory	McGarvey
Case, S. Dak.	Griffiths	McGregor
Chadwick	Gross	McMahon
Chapman	Gwinn, N. Y.	McMillan, S. C.
Chelf	Gwynne, Iowa	McMillen, Ill.
Chenoweth	Hale	MacKinnon
Chiperfield	Hall, Edwin Arthur	Mahon
Church	Hall, Leonard W.	Maloney
Clark	Halleck	Manasco
Clason	Hand	Martin, Iowa
Clevenger	Hardy	Mason
Clippinger	Harless, Ariz.	Mathews
Coffin	Harness, Ind.	Meade, Md.
Cole, Kans.	Harris	Merrow
Cole, Mo.	Harrison	Meyer
Cole, N. Y.	Hartley	Michener
Colmer	Hébert	Miller, Conn.
Combs	Hedrick	Miller, Md.
Cooley	Herter	Miller, Nebr.
Cooper	Heselton	Mills
Corbett	Hess	Mitchell
Cotton	Hill	Monroney
Coudert	Hinshaw	Morris
Courtney	Hobbs	Morton
Cox	Hoeven	Muhlenberg
Cravens	Hoffman	Mundt
Crawford	Holmes	Murdock
Crow	Hope	Murray, Tenn.
Cunningham	Horan	Murray, Wis.
Curtis	Howell	Nixon
Dague	Jackson, Calif.	Nodar
D'Alesandro	Jarman	Norblad
Davis, Tenn.	Jenison	Norman
Dawson, Utah	Jenkins, Ohio	O'Hara
Deane	Jenkins, Pa.	O'Konski
Devitt	Jennings	Owens
D'Ewart	Jensen	Pace
Dirksen	Johnson, Calif.	Passman
Dolliver	Johnson, Ill.	Patman
Dondero	Johnson, Ind.	Patterson
Donohue	Johnson, Tex.	Peden
Dorn	Jones, Ala.	Peterson
Doughton	Jones, N. C.	Philbin
Drewry	Jones, Ohio	Phillips, Calif.
Durham	Jonkman	Phillips, Tenn.
Eaton	Judd	Pickett
Elliott	Kean	Ploeser
Ellis	Kearney	Plumley
Ellsworth	Kearns	Poage
Elsaesser	Keating	Potts
Elston	Keefe	Preston
Engel, Mich.	Kefauver	Price, Fla.
Evins	Kerr	Priest
Fallon	Kersten, Wis.	Rains
Fellows	Kilburn	Ramey
Fenton	Kilday	Rankin
Fernandez	Knutson	Rayburn
Fisher	Kunkel	Reed, Ill.
Flannagan	Landis	Reed, N. Y.
Fletcher	Lanham	Rees
Folger	Larcade	Reeves
Foote	Latham	Rich
Fulton	Lea	Richards
Gallagher	LeCompte	Riehlman
Gamble	LeFevre	Riley
Gary	Lemke	Rivers
Gavin	Lewis	Rizley
Gearhart	Lodge	Robertson
Gifford	Love	Robsion
Gillette	Lucas	Rockwell
Gillie	Lyle	Rogers, Fla.
Goff	McConnell	Rogers, Mass.
Goodwin	McCowen	Rohrbough
Gossett	McDonough	Ross
Graham	McDowell	Russell
Grant, Ala.	McGarvey	Sadlak
Grant, Ind.	McGregor	St. George
Gregory	McMahon	Sanborn
Griffiths	McMillan, S. C.	Sarbacher
Gross	McMillen, Ill.	Sasscer
Gwinn, N. Y.	MacKinnon	Schwabe, Mo.
Gwynne, Iowa	Mahon	Schwabe, Okla.
Hale	Maloney	Scoblick
Hall, Edwin Arthur	Manasco	Scott, Hardie
Hall, Leonard W.	Martin, Iowa	Scrivner
Halleck	Mason	Seely-Brown
Hand	Mathews	Shafer
Hardy	Meade, Md.	Short
Harless, Ariz.	Merrow	Sikes
Harness, Ind.	Meyer	Simpson, Ill.
Harris	Michener	Simpson, Pa.
Harrison	Miller, Conn.	Smith, Kans.
Hartley	Miller, Md.	Smith, Maine
Hébert	Miller, Nebr.	Smith, Ohio
Hedrick	Mills	Smith, Va.
Herter	Mitchell	Smith, Wis.
Heselton	Monroney	Snyder
Hess	Morris	Springer
Hill	Morton	Stanley
Hinshaw	Muhlenberg	Stefan
Hobbs	Mundt	Stevenson
Hoeven	Murdock	Stigler
Hoffman	Murray, Tenn.	Stratton
Holmes	Murray, Wis.	Sundstrom
Hope	Nixon	Taber
Horan	Nodar	Talle
Howell	Norblad	Taylor
Jackson, Calif.	Norman	Teague
Jarman	O'Hara	Thomas, N. J.
Jenison	O'Konski	Thomas, Tex.
Jenkins, Ohio	Owens	Thomason
Jenkins, Pa.	Pace	Tibbott
Jennings	Passman	Tollefson
Jensen	Patman	Towe
Johnson, Calif.	Patterson	Trimble
Johnson, Ill.	Peden	Twyman
Johnson, Ind.	Peterson	Vail
Johnson, Tex.	Philbin	Van Zandt
Jones, Ala.	Phillips, Calif.	Vinson
Jones, N. C.	Phillips, Tenn.	Vorys
Jones, Ohio	Pickett	Vursell
Jonkman	Ploeser	Wadsworth
Judd	Plumley	Walter
Kean	Poage	Weichel
Kearney	Potts	West
Kearns	Preston	Wheeler
Keating	Price, Fla.	Whitten
Keefe	Priest	Whittington
Kefauver	Rains	Wigglesworth
Kerr	Ramey	Williams
Kersten, Wis.	Rankin	Wilson, Ind.
Kilburn	Rayburn	Wilson, Tex.
Kilday	Reed, Ill.	Winstead
Knutson	Reed, N. Y.	Wolcott
Kunkel	Rees	Wolverton
Landis	Reeves	Wood
Lanham	Rich	Worley
Larcade	Richards	Youngblood
Latham	Riehlman	Zimmerman
Lea	Riley	
LeCompte	Rivers	
LeFevre	Rizley	
Lemke	Robertson	
Lewis	Robsion	
Lodge	Rockwell	
Love	Rogers, Fla.	
Lucas	Rogers, Mass.	
Lyle	Rohrbough	
McConnell	Ross	
McCowen	Russell	
McDonough	Sadlak	
McDowell	St. George	
McGarvey	Sanborn	
McGregor	Sarbacher	
McMahon	Sasscer	
McMillan, S. C.	Schwabe, Mo.	
McMillen, Ill.	Schwabe, Okla.	
MacKinnon	Scoblick	
Mahon	Scott, Hardie	
Maloney	Scrivner	
Manasco	Seely-Brown	
Martin, Iowa	Shafer	
Mason	Short	
Mathews	Sikes	
Meade, Md.	Simpson, Ill.	
Merrow	Simpson, Pa.	
Meyer	Smith, Kans.	
Michener	Smith, Maine	
Miller, Conn.	Smith, Ohio	
Miller, Md.	Smith, Va.	
Miller, Nebr.	Smith, Wis.	
Mills	Snyder	
Mitchell	Springer	
Monroney	Stanley	
Morris	Stefan	
Morton	Stevenson	
	Stigler	

NAYS—56

Blatnik	Holifield	Marcantonio
Bloom	Huber	Meade, Ky.
Brophy	Hull	Miller, Calif.
Buchanan	Jackson, Wash.	Morgan
Buckley	Javits	Norton
Byrne, N. Y.	Johnson, Okla.	O'Brien
Carroll	Karsten, Mo.	O'Toole
Celler	Kee	Pfeifer
Crosser	Kelley	Powell
Dingell	Kennedy	Price, Ill.
Douglas	Keogh	Rabin
Eberharter	King	Rayfiel
Fogarty	Kirwan	Rooney
Forand	Klein	Sabath
Gordon	Lane	Sadowski
Gorski	Lesinski	Somers
Granger	Lynch	Spence
Hart	McCormack	Welch
Havenner	Madden	

NOT VOTING—31

Boggs, La.	Gerlach	Mansfield, Tex.
Bonner	Gore	Morrison
Clements	Hagen	Norrell
Davis, Ga.	Hays	Poulson
Dawson, Ill.	Heffernan	Redden
Delaney	Hendricks	Scott, Hugh D., Jr.
Domengeaux	Jones, Wash.	Sheppard
Engle, Calif.	Lusk	Smathers
Feighan	Macy	Stockman
Fuller	Mansfield, Mont.	Woodruff
Gathings		

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Davis of Georgia for, with Mr. Feighan against.

Mr. Redden for, with Mr. Delaney against.

Mr. Woodruff for, with Mr. Dawson of Illinois against.

General pairs:

Mr. Macy with Mr. Bonner.

Mr. Jones of Washington with Mr. Gathings.

Mr. Hagen with Mr. Heffernan.

Mr. Hugh D. Scott, Jr., with Mr. Smathers.

Mr. Fuller with Mr. Engle of California.

Mr. Stockman with Mr. Boggs of Louisiana.

Mr. Poulson with Mr. Morrison.

Mr. GAVIN. Mr. Speaker, is the gentleman from Pennsylvania [Mr. HUGH D. SCOTT, JR.] paired as voting "aye"?

The SPEAKER. The gentleman is not paired.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their own remarks on H. R. 2157 just passed.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to extend his remarks in the Appendix of the RECORD and include a report of Mr. Hoover to the President of the United States on the food situation in Germany.

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD and include an article that appeared on February 25 in Pathfinder.

M . SHAFER. Mr. Speaker, the other day I asked and obtained unanimous consent to extend my remarks in the RECORD and include a magazine article from Plain Talk. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $230.75, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. BURKE asked and was given permission to extend his remarks in the RECORD in reference to the death of two outstanding Ohioans.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. LODGE asked and was given permission to extend his remarks in the RECORD and include a speech by Hon. JOSEPH W. MARTIN.

Mr. GAVIN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. TIBBOTT asked and was given permission to extend his remarks in the RECORD and include a speech made by the Honorable RICHARD M. SIMPSON, of Pennsylvania, delivered at Philadelphia.

Mr. KEARNS asked and was given permission to extend his remarks in the RECORD and include a speech of the Speaker of the House.

Mr. BYRNE of New York asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the New York Herald Tribune of Friday, February 28, 1947, entitled "Mr. Truman Grows."

Mr. BRYSON asked and was given permission to extend his remarks in the RECORD and include an editorial from his home town newspaper.

Mr. MADDEN asked and was given permission to extend his remarks in the RECORD and include a communication from the American Lithuanian Council of Lake County, Ind.

Mr. KELLEY asked and was given permission to extend his remarks in the RECORD.

Mr. BLATNIK asked and was given permission to extend his remarks in the RECORD on H. R. 2157.

Mr. KEFAUVER asked and was given permission to extend his remarks in the RECORD and include excerpts from two editorials.

SPECIAL ORDER GRANTED

Mr. KEFAUVER. Mr. Speaker, I ask unanimous consent that on Thursday next after disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered, I may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

RECORDING OF VOTE

Mr. BANTA. Mr. Speaker, I ask unanimous consent that I may be recorded as voting "yea" on the last roll call.

The SPEAKER. The Chair is obliged to inform the gentleman that he cannot be recorded in that way. Was the gentleman here and did he answer to his name when called?

Mr. BANTA. I did not hear my name called.

The SPEAKER. The gentleman may ask unanimous consent to have the roll call corrected.

Mr. BANTA. Mr. Speaker, I ask unanimous consent that the last roll call be corrected to show me as voting "yea."

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

ADJOURNMENT OVER

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

Mr. WEICHEL (at the request of Mr. HALLECK) was given permission to extend his remarks in the RECORD.

Mr. WORLEY asked and was given permission to extend his remarks in the RECORD.

SPECIAL ORDER GRANTED

Mr. BENDER. Mr. Speaker, I ask unanimous consent that on Tuesday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committees on Armed Services and Interstate and Foreign Commerce:

To the Congress of the United States:

In compliance with the provisions of the act of March 3, 1915, establishing the National Advisory Committee for Aeronautics, I transmit herewith the Thirty-second Annual Report of the Committee covering the fiscal year 1946, and containing a review of the unreported war years.

HARRY S. TRUMAN.

THE WHITE HOUSE, *February 28, 1947.*

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. SADOWSKI] is recognized for 20 minutes.

THE COMING MOSCOW CONFERENCE—POLAND'S WESTERN BOUNDARY IS ON THE ODER AND NEISSE RIVERS

Mr. SADOWSKI. Mr. Speaker, I have before me the results of a Gallup poll taken from a clipping in the Washington Post dated February 7. The poll indicates that the overwhelming sentiment among the peoples of five allied nations—the United States, Great Britain, Canada, Holland, and France—is that the warlike ideals of Germany have not been rooted out, and that she will one day become an aggressor nation again.

Mr. Speaker, I feel that the results of this poll deserve careful consideration by my fellow colleagues, by our foreign policy makers, and particularly by Secretary Marshall. For here we have, less than 2 weeks away from the Moscow Conference, when the great powers will tackle the core of the peace problem—Germany—an expression on the part of the peace-loving peoples of five allied nations that they are fearful that we are rebuilding Germany's war machine so that some day it will be able to threaten world peace again.

As March 10, the date of the opening of the Peace Conference, approaches, we hear expressions of sympathy for Germany with increasing frequency. More and more we are told that the rapid reconstruction of Germany, before it is denazified and democraticized, is essential to world peace. This is simultaneously accompanied with a "get tough with our allies" attitude. In some circles our wartime reliance upon our allies to help us defeat Germany has now been replaced by a reliance upon Germany to assure peace.

This attitude has alarmed the constituents of my district, as well as myself and many of my friends. I come from Detroit, Mich. I come from a district largely populated by Americans of Polish descent—a district which took no second place in its contributions toward victory. From this district flowed a steady stream of arms and munitions which hastened the end of the war. All the various phases of activities to promote the war effort found enthusiastic support in my district. To many of the people there the complete destruction of the German war machine would provide a twofold

satisfaction, for they knew what it would mean to their kinfolk in Poland.

They are disturbed by the growing feeling of compassion for those responsible for World War II, which is combined with a more calloused and harsh approach to our ally, Poland. When they hear new proposals which would reward Germany at the expense of its victims, they feel that it is time to protest.

They are aware of the great sacrifices of Poland and cannot grasp why an ally that was never found wanting by us in 6 years that it fought overwhelming odds should today find its considerations secondary to those of Germany in the thinking of certain circles in this country and abroad. Perhaps this would be a good place to refresh our memories and impress us of our moral obligations to a heroic people by presenting some statistics. Six million one hundred and four thousand nine hundred and ninety Poles were tortured, burned alive, and murdered by the Nazi butchers. This includes millions of women and children. Nearly a million civilians have suffered heavy injuries of the body and mind. This was the human cost to Poland of German aggression.

Since, in our approach toward the peace treaty with Germany, the question of the western frontiers of Poland plays such an important role, I think it is necessary for a clarification of American policy to eliminate some of the confusion and distortion which has been injected into the case. It is important to the United States that this problem be settled justly and correctly, for it will be one of the pillars of the future peace structure. Failure to do so will endanger world peace and possibly involve our country in another world war.

A brief examination of the developments affecting the question of the Polish frontier in the west up to the present moment might contribute to a better understanding of the problem.

It was at the Crimean Conference in February of 1945 that the Big Three agreed that the eastern border of Poland should follow the Curzon line with a few digressions in favor of Poland and in return for which the three heads of government recognized "that Poland must receive substantial accessions of territory in the north and west."

Poland agreed to accept this decision and proceeded to make the painful readjustments which such a revision of its eastern borders entailed, accepting in good faith the pledge made by all three governments that she would be compensated in the north and west by "substantial accessions of territory."

The Big Three further agreed that:

> The opinion of the new Polish Provisional Government of National Unity should be sought in due course on the extent of these accessions and that the final delimitation of the western frontier of Poland should thereafter await the peace conference.

At Potsdam on August 2, 1945, both pledges were realized. After consultation with representatives of Poland, the Big Three agreed to grant "substantial accessions of territory" to that country. The Potsdam accord declared that:

> The three heads of government agree that, pending the final determination of Poland's western frontier, the former German territories east of the line running from the Baltic Sea immediately west of Swinemunde, and thence along the Oder River to the confluence of the western Neisse River and along the western Neisse to the Czechoslovak frontier, including that portion of East Prussia not placed under the administration of the Union of Soviet Socialist Republics in accordance with the understanding reached at this conference and including the former Free City of Danzig, shall be under the administration of the Polish State and for such purposes should not be considered as part of the Soviet zone of occupation.

The language is clear and the implication is obvious. There is not the slightest suggestion that the frontier defined was simply a demarcation line. This decision was hailed joyously by the Polish people, who now, with the return of their former areas, could look to a happier future.

It is obvious that the Potsdam Conference was not the peace conference and that any steps undertaken there would have to await formal ratification at the peace conference when it would be held. Here only the principles and bases for the peace conference were under preparation, and one of the most important, dealt with the question of Poland and it cannot be shrugged off through any verbal gymnastics or ingenious interpretations.

Following the Potsdam Conference, specific agreements were reached within the Inter-Allied Commission on the evacuation of Germans from the areas granted Poland, which further implemented Potsdam and which permit of no misinterpretation as to the proposed permanency of that frontier.

The attack upon the Potsdam decisions and specifically in reference to Poland was launched by Winston Churchill at Fulton, Mo., where he wept bitter tears over the sad fate of those who only recently were dropping bombs on the defenseless women and children in London, Paris, Prague, Warsaw, and scores of other heavily populated areas. This stanch defender of the British Empire, which seethes with unrest and strife, took his place in the vanguard of those who defend the Germans when he charged that the Polish Government "has been encouraged to make enormous and wrongful inroads upon Germany, and mass expulsions of millions of Germans on a scale grievous and undreamed of are now taking place."

But the American people are alarmed most not by what Churchill, who was decisively repudiated by the English people, said, but by the statement made by former Secretary of State James H. Byrnes at Stuttgart. Byrnes gave hope to the unrepentant Germans when he declared on September 6, 1946, that:

> The United States will support the revision of these (western and northern) frontiers in Poland's favor. However, the extent of the area to be ceded to Poland must be determined when the final settlement is agreed upon.

I was disturbed by the implications in the Stuttgart speech, as were many of my constituents who had looked to the United States to take the leadership in living up to the spirit and intent of the Big Three commitments to Poland made at Crimea and Potsdam. The Big Three had committed itself to grant Poland substantial accessions of territory, and at Potsdam compensated Poland with 39,000 square miles of territory for its loss of 69,000 square miles in the east. To lessen the amount of territory granted as suggested in the Stuttgart speech would be to take it out of the realm of substantial compensation.

Understandably, the Poles and all of the Slavs are more than perturbed by these developments. The hobnailed boot of the Nazi aggressor is still a very fresh memory in every Slav home in Europe. Recollections of the unexampled bestiality of the Germans will live for generations and every move that would strengthen Germany is regarded with great doubt and suspicion. When one keeps this in mind, one cannot help but be surprised at the remarkable restraint of their criticism of the suggestion that there is a possibility that the Germans will again be provided with a dagger aimed at the heart of the Slav nations in the form of areas rightfully Poland's. Two world wars were largely fought on Slav soil—they do not want a third to devastate it again.

Since the Stuttgart speech there have been many inspired stories in the press quoting responsible sources calling for the return of Pomerania and Brandenburg to Germany. Some Congressmen, and even congressional committees, have joined the press and radio in the hue and cry to defend German interests attempting to justify their position in various ways, with which I will deal later.

It is interesting to note here that those who cried most loudly against the injustice done Poland at Crimea when the Curzon line was accepted as Poland's eastern border are among the most vehement and determined to see that the Potsdam accord which compensated Poland for its loss of territory in the east be violated grossly. It might also be in order to make the observation that those who shed themselves of isolationism rather belatedly are numbered among the most ardent defenders of the "poor Germans." They are, at least, consistent.

A profoundly disturbing document was released recently which attempts to make a case for the need to rebuild Germany while simultaneously calling for cutting off all forms of assistance to our allies in Europe. It was the House joint committee report released December 30, 1946, by my colleague, the gentleman from Mississippi, Representative COLMER. Its solicitude and good will toward the Germans, whose crimes against humanity have been unequaled, is alarming.

This report takes us, the Congress, to task for having made "inadequate provisions for feeding both Germany and Austria." At the same time it calls for the liquidation of UNRRA which was, and continues to be, so important to the rehabilitation of the victims of Nazi aggression and degradation.

> It does not require prophetic power to show that a continuation of this plight for Germany—

Declares the report—

> means slow starvation and disease on a widespread basis to say nothing of the effect

upon the working ability and political unrest of the population.

It then proposes that:

An immediate increase in the funds available to the Army for relief to bring the ration up to a real subsistence level is essential and should be regarded as the most serious emergency action immediately confronting American foreign policy.

There are, at the moment, 3,500,000 children in Poland who need additional nourishment. Two million five hundred thousand children require medical care. There are 1,000,000 orphans in desperate need of assistance in a country which fought the full fury of the Nazi Wehrmacht for several years before we entered the fray against Germany, and the Colmer report runs history upside down and declares that the "most serious emergency action confronting American foreign policy" is to feed the Germans.

A stranger unacquainted with the events of the last decade could only conclude that Germany had been our ally in the last World War, and that Poland, France, Czechoslovakia, and our other European allies were our enemies. He could only conclude that Germany must be rewarded for its role, and the other nations punished.

But the report raises an even more fundamental problem: Are we to rebuild Germany first or are we to rebuild those nations destroyed by Germany? Are we to again establish Germany as the dominant European power, or are we to guarantee the peace of Europe by rebuilding its neighbors? The problem comes down to that. The American people, I am convinced, do not want a Germany that will be a threat to world peace again.

The Colmer report adopts the position that a loan should be granted Germany and that no loan should be granted to the greatest victim of German brutality, Poland. It states:

In the final report of the committee, therefore, a special emphasis has been put upon the key problems which revolve around the position of Germany and Austria in the European economy because of their crucial import to the recovery of western Europe.

This approach is so reminiscent of the post World War I period which saw Germany rebuilt, granted loans and concessions, wooed by world powers and placed in the position where it challenged the world to combat and left over 30,000,000 dead on fields of battle.

I deal at length with this report because I am firmly convinced that this approach can only do irreparable harm to the cause of world peace and security. I am of the opinion that no Germany, but the victims of German aggression should be reconstructed. It is my considered opinion that the reconstruction of Poland and the development of its recovered territories has greater importance for Europe and world peace than the resurrection of Germany. I cannot forget that we who hailed Poland as the inspiration of the world during the war have a deep responsibility toward her. It is no accident that the Colmer report derived satisfaction from the Byrnes Stuttgart speech which it says "reminded the world that the western boundaries are not yet drawn," while at the same time it calls for a return of railroad cars from Poland to Germany, a step which would further cripple Poland's economy which relies so much upon its coal production.

Further, in the last few weeks we have been showered with reasons which purport to prove why Pomerania and Brandenburg should be returned to Germany. All sorts of spurious arguments have been advanced which will not hold water upon closer examination in an effort to camouflage the real reasons behind the desire to return these age-old Polish areas to Germany.

An Associated Press dispatch dated December 29, 1946, which was prominently displayed on the front pages of the American press declared that:

The American position will be that Germany cannot be self-sustaining with the loss of 25 percent of her best agricultural land and that this loss will only provide for a new war, these sources (that is responsible sources in Berlin) said.

It referred to Pomerania and Brandenburg.

There is a remarkable coincidence between this line and that followed by the German delegation at the Versailles Peace Conference. There the Germans talked about these areas being economically indispensable to Germany, but conveniently forgot to mention that in comparison with the rest of Germany they were not economically developed.

What are the facts? These areas are no more indispensable to Germany after this war than they were after the first. I want to quote Dr. Wilhelm Volz, professor at the Leipzig University, who in one of his most important works issued in 1930, wrote that:

For the German Reich the east plays no role whatsoever as a supplier of wheat and a quite insignificant role as a supplier of rye. The Reich has no need whatever of the east for its supply of potatoes.

Dr. Volz points out that the Polish recovered territories supplied the Reich with only 0.77 percent of wheat, 4.53 percent of rye, 2.27 percent of potatoes, 5.68 percent of pigs, and with 2.75 percent of cattle.

And in a letter to the Manchester Guardian on November 15, 1946, Prof. W. J. Rose, of the London University, said that on the basis of prewar German statistics, the territories lost to Germany supplied the rest of the Reich with 0.86 percent of the total wheat, 5.1 percent of rye, and 2.7 percent of potatoes. These figures include areas now ceded to Russia.

The same conclusions were reached by many other German scholars who cannot be considered prejudiced toward Germany.

Further, there has been a constant migration of Germans from these areas over the recent years, leaving them so depopulated of Germans that they depended upon Polish migratory farm workers for harvesting the fields. Pomerania and Brandenburg by no stretch of the imagination can be termed a granary of a peacetime Germany.

But the German delegation at Versailles fought for the retention of these lands for a much more important reason. They are a first-rate military base for operations in the east, and World War II confirmed that indisputably. We cannot shut out eyes to this danger. We cannot be lulled to sleep by that familiar refrain harking back to the period before World War II, that Germany could never again wage war.

On the contrary, it can be proven that these territories never were indispensable to Germany and constitute a hinterland for Poland now needed as never before in its history.

German written history is replete with reference to Pomerania, Brandenburg, and Silesia as colonies. The many years of Germanization and colonization never succeeded. The Prussian east as it was known, had the lowest density of population as a result of the exodus of German colonizers in the last century. It was impossible to sow the fields and reap the harvests without Polish labor. The huge estates of the Junkers would have been forced to lie fallow if Poles were not seasonally employed. In marked contrast, there was a dense population across the border in Poland with sufficient surplus labor to migrate seasonally to sow and reap the German harvest. Minus the lands of the east, Poland today more desperately than ever, requires its lands in the west.

A further point emphasizing the fact that these lands were considered as a colony was the presence of only 1,500,000 Germans in all of these territories as of July 1945. The Germans had fled into their native land.

Where, then, is the argument advanced by some German apologists today that Poland cannot exploit the land and that the economy of Europe requires that they be returned to Germany? They have simply turned the facts topsy-turvy. The only guaranty that these lands will be fully exploited to balance the food supply of all of Europe is their possession by Poland from whom they had been wrested by conquest.

Now, for the first time in its history, the Polish Nation has an opportunity to develop a healthy, industrial economy. The return of Stettin, Pomerania, and the control of the Oder River insures rapid expansion of the Silesian industries and the possibility of unlimited foreign trade. Pomerania and Brandenburg are rich in agricultural potentials. In the recovered territories are situated 25 percent of Poland's textile industries, 30 percent of her metal production, and 50 percent of her freight-car and trolley manufacturing plants, according to a recent dispatch from Marguerite Higgins in the New York Herald Tribune, dated February 19. With the acquisition of these areas, the mining and industrial production, which amounted to 215 zlotys per head before the war, will show an increase to 324—or 96 percent. The Polish cotton industry will increase production by 30 percent; wool industry by 60 percent; linen industry by 25 percent; sugar industry, 60 percent; cement industry by 30 percent; steel by 100 percent.

But, without the recovered territories, Poland's 3-year plan for economic reconstruction will be severely wrecked. The five or six million Poles who will have resettled in these areas would have to live in a much smaller area. It would mean

overpopulation, unemployment, and low consumption, which not only would cripple Poland's economic recovery and lower the standards of its people considerably, but would have drastic effects on world trade. For its reconstruction Poland desperately needs heavy machinery. America has this needed commodity. In the interests of American businessmen, Poland should retain these territories. In the hands of the Germans these territories would once again provide the base for international cartels, which benefit, not the independent businessman in America, but the cartelist and monopolist.

The economic, political, and social achievements that have been realized in these territories since Potsdam solidifies Poland's claim to these lands. Devastated areas have been rebuilt. Transportation and communication lines have been repaired. Over 4,000,000 Poles have been resettled, while only approximately 500,000 Germans remain. Factories and industries are flourishing.

Here are some figures: As of August 1946, 825 factories were operating, employing 226,305 workers, or 13 percent of the total for all Poland; 10,000,000 tons of coal were produced last year; the lower Silesian mines produced 60 percent more coke than the Germans did in 1939; despite the complete destruction of nearly all factories and the removal of all machinery the metal industry in the recovered territories has been built, and is now producing 19 percent of the overall Polish production; the ports of Stettin, Danzig, and Gdynia, which were mined and blocked by sunken ships when the Poles received them, are back in operation. Prussian estates have been and still are being broken up and parceled among the peasants.

In the field of cultural advancement, much progress has been made also; trade-union membership in lower Silesia exceeds 12,000; there are 4,000 schools of all types, three polytechnics, one university, and one academy of medicine; there are about 1,000 kindergartens and 130 homes for children; there are 31 newspapers and magazines, and 800 libraries; about 6,000 workers have been trained in special courses; over 80 industrial schools have been organized, training 9,000 pupils.

In short, the foundations for a fuller and better life have been laid. If these territories are taken away from Poland, all the good that has been accomplished will be undone. It would mean misery, privation, and despair for the millions of Poles who are now permanently resettled there.

What are the guardians of German interests doing when they ask that these territories revert to the Germans?

When at Potsdam, the accord of the Big Three was reached and the western territories reverted to Poland's possession, the Polish Nation embarked on one of the greatest tasks in European history—the resettlement and reconstruction of a war-devastated area which involved the movement of millions of people. The enormity of the problem is difficult to grasp. Since then, the bulk of the Germans have been evacuated and over 4,000,000 Poles resettled despite the lack of transport, food supplies, housing, medical supplies, and services. All public bodies had to be reconstituted and a million-and-one complicated situations resolved at a tremendous cost of both money and expenditure of human energy. Order has replaced chaos. Fallow fields have been resown. Devastation repaired. Transport and communications lines reestablished. The preconditions for an expanding and richer life were being fulfilled.

And with this as a background, just to pose the question of the return of these areas to Germany seems like a crime against the Polish people. In fact, it is rewarding the aggressor at the expense of the victim. Not only was Poland devastated by the Germans but she now also would have to reconstruct territories deserted by the Germans for the Germans. That is exactly what it means to raise any doubt about the permanency of Poland's western frontier.

From whatever angle you examine the question of Poland's recovered territories, you cannot help but be convinced of the justice of the decision reached at Potsdam.

Militarily it means that Germany will be deprived of a huge arsenal of war in Silesia. The Junkers, arch proponents of militarism and the "Drang Nach Osten" policy, will be rooted out from their huge estates in Pomerania and Brandenburg. Germany will be deprived of a place d'armes for future aggression. Poland will be provided a defensible frontier based on the Baltic, the Oder, and the Neisse Rivers—a frontier which now will have decreased almost fivefold from 1,180 miles to approximately 250. This is a practical program for the disarmament of Germany.

Historically it will mean the righting of a grievous wrong done Poland. The area between the Oder and the Vistula Rivers was the cradle of the Polish Nation. Poland was deprived of these lands through the aggression of Teutonic hordes. Until the German invasions Silesia was uninterruptedly Polish and from there came several of her kings. Despite many years of the most unmerciful Germanization, the Germans did not succeed in accomplishing their task. From 1919 to 1921 there were three successive uprisings of Poles in this area, only subdued by the greatest brutality. Stettin was Poland's outpost on the Baltic which was seized by conquest together with Pomerania and Brandenburg. These areas are studded with ruins of Polish castles and churches. Historical archives are replete with evidence of the Polish character of these lands. Archeological excavations further confirm Poland's just claims to this area. The cultural ties of this area were never severed with Poland.

Economically, these lands were always a hinterland of Poland. The economic interdependence of Poland and Silesia was freely admitted by the Germans. Except in time of war, Silesia had to rely upon Poland to keep its industries going. Its fields in Pomerania and Brandenburg could not produce without Polish labor. The return of Silesia provides Poland with an industrial base which prewar Poland lacked and as a result fell before the Nazi onslaught. By the return of Stettin and Pomerania, Poland has been provided with broad access to the sea routes of the world, and, with the possibility of developing its foreign trade to record proportions. Its control of the Oder River assures the rapid expansion of Silesia which is indispensable for the task of reconstructing war-devastated Poland. For the first time in its history Poland will have the opportunity to develop a healthy economy which will be further assurance of a peaceful world. If the pledges we made to Poland during the war that we would help in her reconstruction are to be kept, we cannot retreat from our position adopted at Potsdam.

Morally, by supporting Poland's claim to these areas, we recognize the tremendous sacrifices made by the Polish people, both in human lives as well as in material wealth, in the common cause of victory over the Germans. Polish arms played an important role in recovering these areas. Poland won back these lands not in a war of conquest and aggression, but in a just war against a nation which was out to rule the world. Furthermore, this territorial readjustment is not at the expense of Germany. Poland is being rewarded with not one inch of German lands. The policy is one of restoring to the Polish people lands that had been previously stolen from them by German military power.

For the past 1,000 years Germany has followed a policy of brutal military aggrandizement against all of its neighbors and particularly against the Polish nation and the Polish people. The territory east of the Oder and the Neisse Rivers is ancient Polish land which was taken away from them by German military power. It is time to declare an end forever to the German policy of Drang Nach Osten.

The Potsdam agreement has created the basis for an ethnographically homogeneous Poland, uniting all of the Poles within areas clearly Polish. They have also created the conditions for Poland's most rapid recovery and development. They have given Poland safeguards against future German aggressions. Had the Poland of 1939 been a homogeneous nation with a strong economy and based on strategic frontiers rightly hers, then it should be obvious to us that Germany would have found itself confronted by a foe able to withstand its onslaughts. The Potsdam agreement eliminated sore spots and trouble areas which remained after Versailles because of the shortsightedness of the peacemakers. To revise the Polish western frontier is to invite trouble and conflict. Even to raise the question is to create doubt and distrust among the Allies to the benefit of Germany.

Poland was the battleground of two World Wars. Poland was repeatedly the victim of aggression throughout history. One of the deepest desires that the Polish people possess is the desire for peace—lasting peace. On that score the Poles and the Americans think in similar terms. To hear arguments which, in effect, imply that Poland is seeking a peace settlement which would not assure her of peace is simply so much balderdash.

The traditional friendship between Poland and our country goes back to the day of our Revolutionary War of Independence, in which Kosciuszko and Pulaski and their compatriots distinguished themselves. It is natural, therefore, that the Poles look to the United States for support of their sacred cause, a cause which will promote peace.

The Atlantic Charter, signed by our late great President, Franklin D. Roosevelt, declared that—

After the final destruction of the Nazi tyranny they—

The signers—

hope to see established a peace which will afford all nations the means of dwelling in safety within their own boundaries and which will afford all nations assurance that all the men in all lands may live out their lives in freedom from fear and want.

We recognized that principle at Potsdam. All that remains is that it be formally accepted at the Peace Conference which will open at Moscow on March 10. I think we would make a great contribution to the peace negotiations and eliminate a serious source of friction and delay if we were to announce unequivocally that we will live up to our commitment at Potsdam by supporting Poland's just claims to Silesia, Pomerania, and Brandenburg. This would be a serious blow to all those who are already conniving and plotting for another war. It would deprive them of the opportunity of fishing in troubled waters and trying to establish blocs and unholy alliances.

The Prussians, the Junkers are now where they belong—in Germany, on the other side of the Oder and Neisse Rivers. It took a long time to drive the Nazi-Prussian barbarians off of Polish soil. They should be kept out forever from now on.

Mr. PEDEN. Mr. Speaker, will the gentleman yield?

Mr. SADOWSKI. I yield to the gentleman from Oklahoma.

Mr. PEDEN. I have listened with great interest to the gentleman's talk on Poland which, in my opinion, during the past few years constitutes the greatest crime on the pages of American history. However, the reasons that are given are ones we should consider, but I should like to ask the gentleman a question. I understand from what he has stated that he requests aid to Poland now, which is needed. Does the gentleman agree that Poland is now a free country to which aid can be given by this country?

Mr. SADOWSKI. It is a question of aiding the Polish people. The Government of Poland may not satisfy me, it may not satisfy the gentleman—that does not enter into the question. The question of aiding the Polish people is something entirely different from aiding the government. The people must be helped. No people on the face of the earth have suffered as much as the Polish people have for the last 6 years. No people have been so thoroughly despoiled. No nation has been so thoroughly ruined as has Poland. We are not going to let the Polish people continue to suffer merely because the gentleman and others do not happen to like the government that Poland has at the present time.

The SPEAKER. The time of the gentleman from Michigan has expired.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries.

HOUSING FOR VETERANS (H. DOC. NO. 151)

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee on Banking and Currency and ordered to be printed:

To the Congress of the United States:

A significant contribution to the amount of rental housing so direly needed by veterans and their families at rentals they can afford has been made during the past year by the temporary reuse program under title V of the Lanham Act.

Under this program, Army barracks and other military or civilion wartime structures are converted into temporary dwellings. Many of these are reused on their sites; others are moved and set up on the campuses of universities for the use of student veterans. Still others have been placed on new sites in cities where the housing shortage is desperate.

These educational institutions, municipalities, and other public bodies have used their own funds tc provide sites for these temporary reuse homes. In many cases, also, they have provided the necessary utilities. The Federal Government, through the Congress, made two appropriations, totaling $445,627,000, to finance its part of this program.

Originally, it was planned to convert war structures into 200,000 temporary units under this program. This would, of course, have provided accommodations for many more than 200,000 persons. Rising costs of labor and building materials, as well as rising costs caused by the increased time required for completion due to shortages, have made it necessary for the Government several times during the past year to cut back the temporary reuse program.

Prior to February 1, 1947, allocations had been made for 158,834 units, but the rising costs of building and the scarcity of materials made it necessary recently to suspend 8,357 of these. With cutbacks which had been ordered earlier, it now appears that it will be possible, out of the Federal appropriations, to provide for only about 150,000 units, or approximately 25 percent fewer than was planned. Of these 95,451 units have been completed and around 55,000 including suspended units are under construction.

No more allocations out of the funds available under the Lanham Act can be made. Prior to the time cut-backs and suspensions were ordered, as a result of the approaching exhaustion of funds, however, many local groups such as city governments and educational institutions, already had obligated or spent considerable funds of their own, as required under the Lanham Act. This was done to acquire sites, provide utilities or community facilities to accommodate the housing which they confidently expected would be set up. In some instances they also spent funds on a reimbursable basis, to provide utilities and perform other necessary work in connection with these houses. When it became obvious that some temporary reuse units could not be completed at Federal expense, many local bodies set aside funds of their own in order to bring these units to completion.

The result is that in order for the Federal Government to fulfill its contractual obligations a further appropriation by the Congress of $50,000,000 is necessary.

These obligations fall into four categories:

1. Completion of all units now under contract, including approximately 8,357 units suspended since December 14, 1946.

2. Completion of approximately 4,869 units which were canceled in previous cut-backs.

3. Reimbursement of public bodies for expenditures of their own funds for the completion of approximately 400 units which otherwise would have been canceled.

4. Reimbursement of public bodies for the cost of utility and other on-site work performed by them in connection with veterans' temporary housing on a reimbursable basis.

The Federal Government must carry out contractual obligations accepted in good faith by educational institutions, municipalities and other local bodies.

It is recommended, therefore, that the authorization contained in section 502 (d) of the Lanham Act be increased by $50,000,000 and that the funds subsequently appropriated under the increased authorization be available to meet the four obligations specified above.

Over and above these contractual obligations, we have obvious responsibilities to those who served their country in the armed forces. Under our program about half of the temporary reuse housing is made available to colleges and other institutions of learning to house veterans while they are studying under the terms of the GI bill of rights. The other housing is set up in crowded cities, where otherwise many of our returned servicemen would be unable to find accommodations. Rentals of these temporary structures average $30 per family unit. I am sure I do not need to stress the urgency of the completion of this program to alleviate the stringent housing shortage faced by so many of our veterans.

I urge the Congress to make a further appropriation of $50,000,000 in order that the Government may meet its contractual obligations referred to and in order that this phase of our continuing program of aid to veterans may be carried out.

HARRY S. TRUMAN.

THE WHITE HOUSE, *February 28, 1947.*

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. PRICE of Illi-

nois, for 3 days, March 3 to 5, inclusive, on account of death in family.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 24 minutes p. m.) the House, under its previous order, adjourned until Monday, March 3, 1947, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON BANKING AND CURRENCY

The Committee on Banking and Currency will hold open hearings on H. R. 2233, a bill to continue the authority of the Federal Reserve banks to purchase Government securities directly from the United States. The meeting will begin at 10:30 a. m., Monday, March 3, 1947, in the Committee room 1301, New House Office Building, with Marriner S. Eccles, Chairman, Board of Governors of the Federal Reserve System as the witness.

COMMITTEE ON FOREIGN AFFAIRS

An executive meeting of the Committee on Foreign Affairs will be held in the Foreign Affairs Committee room, gallery floor, the Capitol, on Monday, March 3, 1947, at 10:30 a. m., on House Joint Resolution 134, providing for relief assistance to countries devastated by war.

SUBCOMMITTEE OF THE HOUSE POST OFFICE AND CIVIL SERVICE COMMITTEE

The Subcommittee of the House Post Office and Civil Service Committee to investigate the civil-service structure will meet Monday, March 3, 1947, at 10 a. m., to continue hearings on the new civil-service rules and regulations.

The Subcommittee of the Post Office and Civil Service Committee to consider H. R. 1714, a bill to exclude certain interns, student nurses, and other student employees of hospitals of the Federal Government from the Classification Act and for other purposes, will meet Tuesday, March 4, 1947, at 10 a. m., 213 Old House Office Building.

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

The Subcommittee on Public Buildings and Grounds of the Committee on Public Works will meet at 10 a. m., Tuesday, March 4, 1947, to hold hearings on H. R. 2086, to authorize the furnishing of steam from the central heating plant to the property of the Daughters of the American Revolution.

The meeting will be held in room 1435, New House Office Building.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce, at 10 a. m., March 4 and 5, 1947.

Business to be considered: Public hearing for 2 days on H. R. 505, H. R. 601, and H. R. 1111, inflammable materials.

There will be a meeting of the Committee on Interstate and Foreign Commerce, at 10 a. m., March 6 and 7, 1947.

Business to be considered: Public hearing for 2 days on H. R. 942, H. R. 1815, H. R. 1830, H. R. 1834, and H. R. 2027, National Science Foundation.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

410. A communication from the President of the United States transmitting a deficiency estimate of appropriation for the fiscal year 1946 in the amount of $75,000 for the Post Office Department (H. Doc. No. 152); to the Committee on Appropriations and ordered to be printed.

411. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1947 in the amount of $20,000,000 for the Federal Works Agency (H. Doc. No. 153); to the Committee on Appropriations and ordered to be printed.

412. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1948 in the amount of $87,532,000 and a draft of a proposed provision for the Department of Commerce in the form of amendments to the budget for said fiscal year (H. Doc. No. 154); to the Committee on Appropriations and ordered to be printed.

413. A communication from the President of the United States, transmitting a proposed provision and supplemental estimates of appropriation for the fiscal year 1947 in the amount of $7,580,630 for the Department of State (H. Doc. No. 155); to the Committee on Appropriations and ordered to be printed.

414. A letter from the Clerk of the House of Representatives, transmitting notice of a contest growing out of the election held November 5, 1946, for the seat in the House of Representatives from the Sixth Congressional District of the State of Illinois, in the Eightieth Congress (H. Doc. No. 156); to the Committee on House Administration and ordered to be printed.

415. A communication from the President of the United States, transmitting a proposed revision for the Post Office Department, in the form of an amendment to House Document 100, Eightieth Congress (H. Doc. No. 157); to the Committee on Appropriations and ordered to be printed.

416. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of a proposed bill authorizing the establishment of a band in the Metropolitan Police force; to the Committee on the District of Columbia.

417. A letter from the Chairman, District Unemployment Compensation Board, transmitting the eleventh annual report of the District of Columbia Unemployment Compensation Board; to the Committee on the District of Columbia.

418. A letter from the Secretary of Commerce, transmitting a draft of a proposed bill to amend the Civil Aeronautics Act of 1938, as amended, to empower the Civil Aeronautics Board to prescribe rates and practices and to suspend rates of air carriers in foreign air transportation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. SMITH of Maine: Committee on Armed Services. H. R. 1943. A bill to establish a permanent Nurse Corps of the Army and the Navy and to establish a Women's Medical Specialist Corps in the Army; with amendments (Rept. No. 81). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HOWELL:

H. R. 2310. A bill to amend the Railroad Unemployment Insurance Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PLOESER:

H. R. 2311. A bill to amend title X of the Social Security Act, as amended; to the Committee on Ways and Means.

By Mr. TOLLEFSON:

H. R. 2312. A bill authorizing the Secretary of the Interior to acquire on behalf of the United States Government all property and facilities of the Rainier National Park Co.; to the Committee on Public Lands.

By Mr. ANDREWS of New York:

H. R. 2313. A bill to amend the act of May 19, 1926 (44 Stat. 565), as amended by the acts of May 14, 1935 (49 Stat. 218), and of October 1, 1942 (56 Stat. 763), providing for the detail of United States military and naval missions to foreign governments; to the Committee on Armed Services.

H. R. 2314. A bill to amend section 12 of the Naval Aviation Cadet Act of 1942, as amended, so as to authorize lump-sum payments under the said act to the survivors of deceased officers without administration of estates; to the Committee on Armed Services.

By Mr. BEALL:

H. R. 2315. A bill concerning common-trust funds and to make uniform the law with reference thereto; to the Committee on the District of Columbia.

By Mr. LARCADE:

H. R. 2316. A bill to amend the Federal Reserve Act, as amended, to provide that the absorption of exchange and collection charges shall not be deemed the payment of interest on deposits; to the Committee on Banking and Currency.

By Mr. MEYER:

H. R. 2317. A bill relating to institutional on-farm training for veterans; to the Committee on Veterans' Affairs.

By Mr. HILL:

H. R. 2318. A bill to authorize the Secretary of Agriculture to provide support for wool, to amend section 22 of the Agricultural Adjustment Act (reenacted by the Agricultural Marketing Agreement Act of 1937) by adding thereto a new section relating to wool, and for other purposes; to the Committee on Agriculture.

By Mr. HOFFMAN:

H. R. 2319. A bill to promote the national security by providing for a National Defense Establishment, which shall be administered by a Secretary of National Defense, and for a Department of the Army, a Department of the Navy, and a Department of the Air Force within the National Defense Establishment, and for the coordination of the activities of the National Defense Establishment with other departments and agencies of the Government concerned with the national security; to the Committee on Expenditures in the Executive Departments.

By Mr. LODGE:

H. R. 2320. A bill to amend the Armed Forces Leave Act of 1946 so as to require that leave compensated for under such act be considered as active service in determining the period for which a veteran is entitled to education and training under title II of the Servicemen's Readjustment Act of 1944, as amended; to the Committee on Armed Services.

By Mrs. SMITH of Maine:

H. R. 2321. A bill to provide for payment to certain retired Naval and Marine Corps Reserve officers of a lump sum equal to their active-duty pay and allowances for the period during which such officers remained in an

inactive status without pay; to the Committee on Armed Services.

By Mr. GRANT of Indiana:

H. R. 2322. A bill to suspend certain import taxes on copper; to the Committee on Ways and Means.

By Mr. LEWIS:

H. R. 2323. A bill to establish a commission on the legal status of women in the United States, to declare a policy as to distinctions based on sex, in law and administration, and for other purposes; to the Committee on the Judiciary.

By Mr. WOLVERTON:

H. R. 2324. A bill to amend the Interstate Commerce Act with respect to the liability of common carriers by motor vehicle, common carriers by water, and freight forwarders for payment of damages to persons injured by them through violations of such act; to the Committee on Interstate and Foreign Commerce.

By Mr. KLEIN:

H. J. Res. 142. Joint resolution exempting certain contracts from the applicability of the cost limitations fixed by the United States Housing Act of 1937, as amended; to the Committee on Banking and Currency.

By Mr. BENDER:

H. Res. 123. Resolution to authorize the Committee on Expenditures in the Executive Departments to investigate and study certain personnel practices in the executive branch; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Idaho, memorializing the President and the Congress of the United States to enact legislation providing for the continuance of the emergency farm labor supply program for the 1947 crop season; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND:

H. R. 2325. A bill for the relief of Mamie L. Hurley; to the Committee on the Judiciary.

By Mr. LEONARD W. HALL:

H. R. 2326. A bill for the relief of Mrs. Marion M. Martin; to the Committee on the Judiciary.

By Mr. KEFAUVER:

H. R. 2327. A bill for the relief of Panagiotes Xiriches; to the Committee on the Judiciary.

By Mr. MARCANTONIO:

H. R. 2328. A bill for the relief of Enrico Lascala; to the Committee on the Judiciary.

By Mr. PLOESER:

H. R. 2329. A bill for the relief of Murphy & Wischmeyer; to the Committee on the Judiciary.

By Mr. SADLAK:

H. R. 2330. A bill for the relief of Helen Gronek; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

152. By Mrs. SMITH of Maine: Resolution of the Maine Woolen Overseas Association, of Waterville, Maine, urging that the interests of our industries be protected in trade agreements with other nations; to the Committee on Ways and Means.

153. By Mr. SMITH of Wisconsin: Resolution adopted by Wm. A. Bancroft Camp, No. 16, United Spanish War Veterans, in regular meeting assembled, at Racine, Wis., February 12, 1947, urging that action be taken to safeguard the country from sneak attacks and subversive activity; to the Committee on Un-American Activities.

154. Also, petition of the Racine Trades and Labor Council, representing A. F. of L. labor unions in Racine, Wis., disapproving any further reduction in tariffs; to the Committee on Ways and Means.

SENATE

MONDAY, MARCH 3, 1947

(Legislative day of Wednesday, February 19, 1947)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

Lord God of Heaven, who hath so lavishly blessed this our beloved land, keep us humble. Forgive our boasting and our pride, and help us to share what Thou hast given. Impress us with a sense of responsibility, and remind us, lest we become filled with conceit, that one day a reckoning will be required of us.

Sanctify our love of country, that our boasting may be turned into humility and our pride into a ministry to all men everywhere. Make America Thy servant, Thy chosen channel of blessing to all lands, lest we be cast out, and our place be given to another. Make this God's own country by making us willing to live like God's people.

We ask these things in the name of Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Friday, February 28, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on February 28, 1947, the President had approved and signed the act (S. 568) to authorize the Secretary of Agriculture to cooperate with the Government of Mexico in the control and eradication of foot-and-mouth disease and rinderpest.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had passed a bill (H. R. 2157) to define and limit the jurisdiction of the courts, to regulate actions arising under certain laws of the United States, and for other purposes, in which it requested the concurrence of the Senate.

THE LEGISLATIVE BUDGET

The Senate resumed the consideration of the concurrent resolution (S. Con. Res. 7) establishing the ceiling for expenditures for the fiscal year 1948 and for appropriations for the fiscal year 1948 to be expended in said fiscal year.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Nebraska [Mr. WHERRY], as amended, proposing the addition of certain words at the end of the concurrent resolution.

When the Senate adjourned on Friday last, the Senator from Massachusetts [Mr. LODGE] had the floor, and he is now recognized.

Mr. TAFT. Mr. President, will the Senator from Massachusetts yield to me for the purpose of suggesting the absence of a quorum?

Mr. LODGE. Yes; I yield.

Mr. TAFT. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum having been suggested, the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Myers
Baldwin	Hayden	O'Conor
Ball	Hickenlooper	O'Daniel
Barkley	Hill	O'Mahoney
Brewster	Hoey	Overton
Bricker	Holland	Pepper
Brooks	Ives	Reed
Buck	Jenner	Revercomb
Bushfield	Johnson, Colo.	Robertson, Va.
Butler	Johnston, S. C.	Russell
Byrd	Kem	Saltonstall
Cain	Kilgore	Smith
Capehart	Knowland	Sparkman
Capper	Langer	Stewart
Chavez	Lodge	Taft
Connally	Lucas	Taylor
Cooper	McCarran	Thomas, Utah
Cordon	McCarthy	Thye
Donnell	McClellan	Tobey
Dworshak	McFarland	Tydings
Ecton	McGrath	Umstead
Ellender	McKellar	Vandenberg
Ferguson	McMahon	Watkins
Flanders	Malone	Wherry
Fulbright	Martin	White
George	Maybank	Wiley
Green	Millikin	Williams
Gurney	Moore	Wilson
Hatch	Morse	Young

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. BRIDGES] is necessarily absent, and the Senator from Wyoming [Mr. ROBERTSON] is necessarily absent on state business.

Mr. LUCAS. I announce that the Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Mississippi [Mr. EASTLAND] is absent because of illness in his family.

The Senator from Montana [Mr. MURRAY] and the Senator from Oklahoma [Mr. THOMAS] are absent on public business.

The Senator from Washington [Mr. MAGNUSON] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The PRESIDENT pro tempore. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. LODGE. Mr. President, a man said to me the other day, "Only America can prevent the end of the world." It is not hard to see what he meant. When we consider the prevailing misery and the economic chaos; when we hear the suggestion of new and more horrible wars; when we see old nations going under and new ones rising; when we note the saturation of populations coupled with the exhaustion of natural resources, it is no wonder that this friend of mine came to the conclusion that today the